JUNE 3, 1985 THREE DOLLARS

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# Forbes

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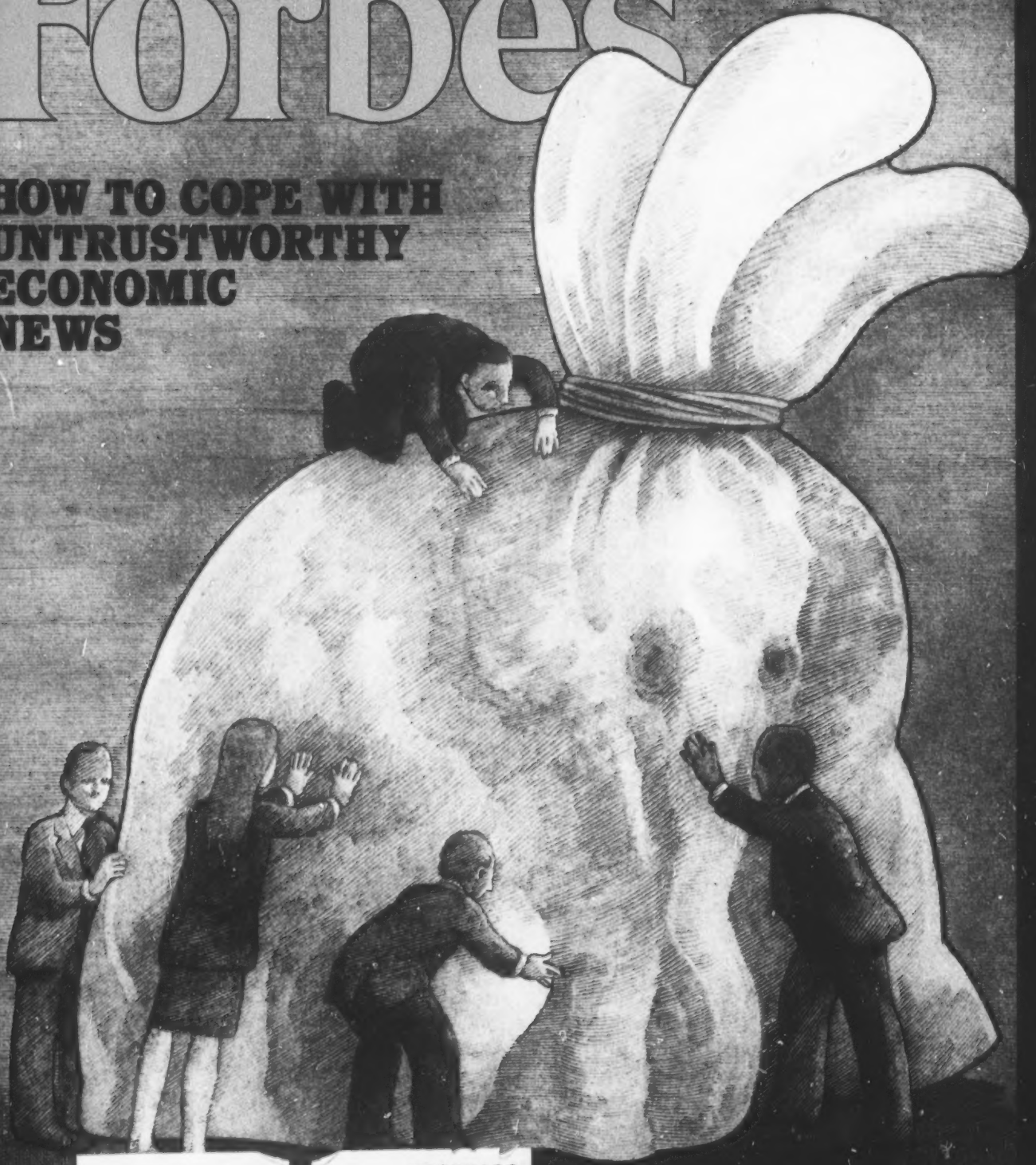

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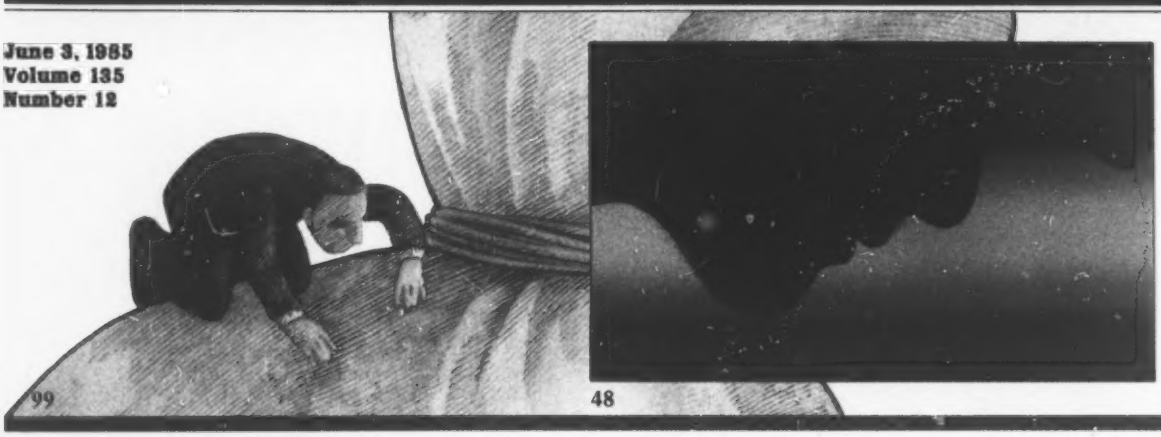

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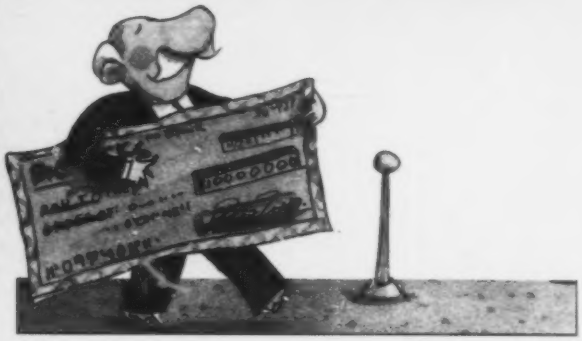

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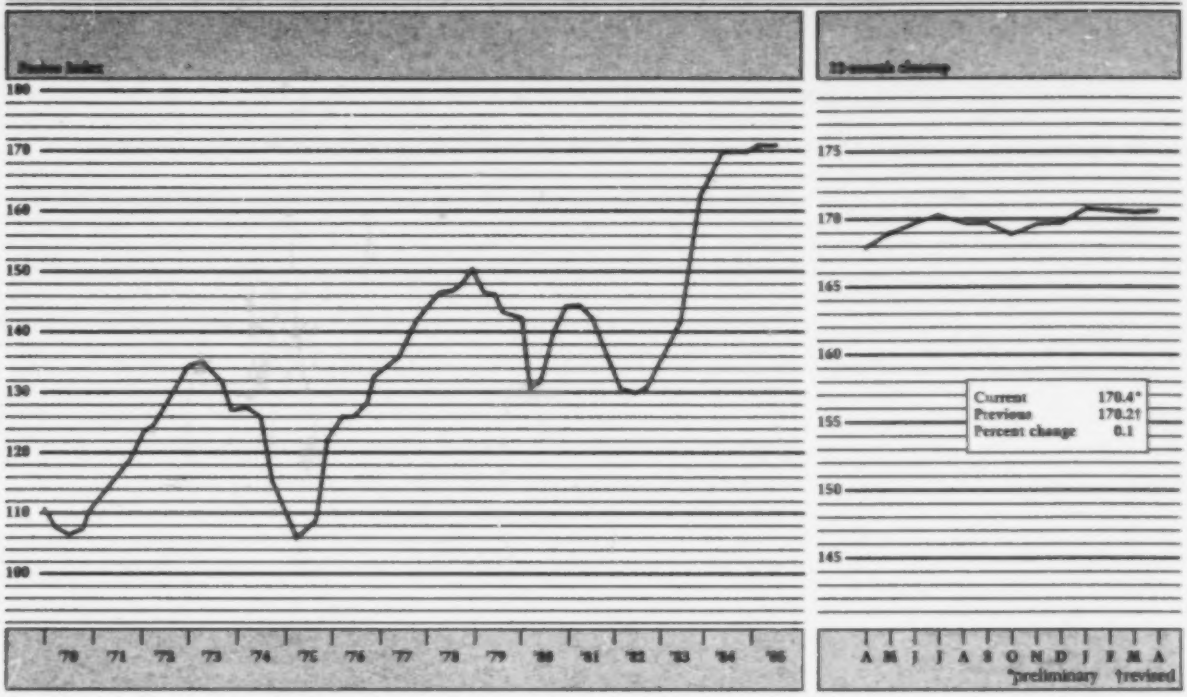
**Cover illustration by Chas. B. Slackman**

# The Forbes Index



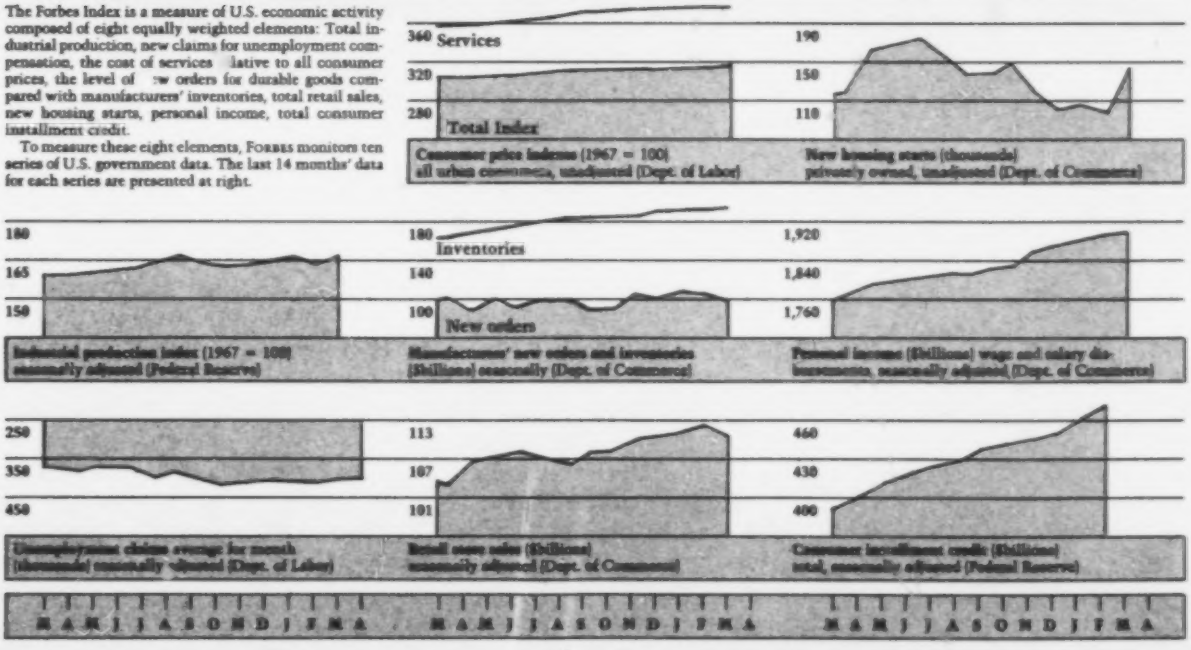

**Bumping along the top**. The last time the Forbes Index posted a month-to-month increase was in January. In the latest reporting period the index gained 0.1%, which brings it back to the January record level. This time, however, only two items, relating to unemployment and inventories, were available for update. It will be necessary to wait for more monthly data to determine whether the final version of the index ends in the plus column.

New unemployment claims were off 0.4% from the previous month and touched their lowest level since last September. Manufacturers' inventories show a month-to-month rise of 0.4%. Meanwhile, revised figures for manufacturers' new orders show a steeper decline—3%—than the 2.4% loss previously reported.

## The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services lative to all consumer prices, the level of w orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, Forbes monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.


360
320
280
Services
Total Index
190
150
110
Consumer price indexes (1967 = 100) all urban commerce, unadjusted (Dept. of Labor)
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)
180
165
150
180
140
100
Inventories
New orders
1,920
1,840
1,760
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)
Manufacturers' new orders and inventories (billions) seasonally (Dept. of Commerce)
Personal income (billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)
250
350
450
113
107
101
460
430
400
Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)
Retail store sales (billions) seasonally adjusted (Dept. of Commerce)
Consumer installment credit (billions) total, seasonally adjusted (Federal Reserve)
M A M J J A S O N D J F M A
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M A M J J A S O N D J F M A

*This year's compensation rankings show 133 CEOs, young and old, entrepreneurs and corporate staffers, who made $1 million or more—plus 652 who didn't make a million but did okay.*

# Who made what at the top in U.S. business

Illustrations by Patrick McDonnell

By John A. Byrne

Laid out on these pages is the most comprehensive and meaningful survey of chief executive pay published anywhere. Forbes' survey lists CEO pay for 785 Forbes 500s companies in 42 industry groupings covered in the Annual Report on American Industry, compared with *Business Week*'s 259 companies in 7 categories. We publish data for 150 banks vs. *BW*'s 18 and for 51 retailers vs. *BW*'s 5. In fact, four of the ten top-paid chiefs on the Forbes list don't make *BW*'s survey at all. Small wonder then that many business academics and consultants rely on Forbes data for their studies of executive compensation.

The Forbes survey was expanded this year to bring more meaning to these numbers. Consider the chart of medians on page 117 that relates CEOs' compensation to their business backgrounds. Note, for example, that CEOs with a background in retailing—traditionally thought to be a low-paying industry—scored the second-highest median pay, $756,000. Experience in investments, marketing and operations also paid high returns to their executives. On the other hand, CEOs with production, technical, insurance and banking backgrounds earned the least—all below a $562,000 median.

The fact that journalism, of all things, should be the background sporting the highest median—$1.5 million—is surely an anomaly, the result of only three CEOs with writing backgrounds. You probably have a greater chance of making big money in media by going the Dan Rather route than by traveling the reporter-to-corporate-manager paths of Dow Jones' Warren Phillips or Gannett's Allen Neuharth, each of whom made over $1.5 million last year.

Corporate turnaround artists joined equity-rich entrepreneurs among the best-paid chief executives' rankings last year. Miracle workers Lee Iacocca and Sanford Sigoloff earned $5.5 million and $5.3 million, respectively, for their big jobs in turning around Chrysler and Wickes. That compensation ranked them not far behind the company founders who took down the top four paychecks of 1984: T. Boone Pickens of Mesa Petroleum ($22.9 million), David Jones of Humana Inc. ($17.9 million), Charles Lazarus of Toys "R" Us ($11.1 million) and Data General's Edson D. de Castro ($7.9 million).

Those high numbers, of course, often reflect bonuses and stock options for performance over the long haul. Take Humana's CEO Jones. All but $800,000 of his $17.9 million in total compensation comes from exercising stock options, some dating as far back as 1971. For Jones it was a reward for building the largest and most profitable corporation in hospital management, with earnings of $200 million and more than 42,000 employees.

We're not sure if it's an advertisement for job-hopping, but the figures suggest length of service may mean less than it once did. Executives with 2 to 5 years' service with their present companies earned a median $529,000, more than those with 6 to 10 years on the job. Still, company loyalty is not out of fashion; 495 CEOs had put in more than 20 years with their companies, and they earned a median $579,000 each.

| Length of service | Number of CEOs in group | Median remuneration |
|---|---|---|
| 1 year | 19 | $350,000 |
| 2 to 5 years | 41 | 529,000 |
| 6 to 10 years | 74 | 498,000 |
| 11 to 20 years | 156 | 588,000 |
| Over 20 years | 495 | 579,000 |

Increasingly, though, corporate types are paid more like entrepreneurs. More companies than ever have adopted pay-for-performance plans laden with stock options for jobs well done. That's one reason a record 133 of the 785 chief executives in our survey made $1 million or more last year—compared with 103 members of the Millionaire club the year earlier, out of a total of 805 executives.

Age helps, too. The 65-year-old-and-over CEOs (there are 82 of them in this survey) got the highest median pay, $672,000. Those under 40 (only 5 make it) earned the lowest median pay, $414,000.

| Age grouping | Number of CEOs in group | Median remuneration |
|---|---|---|
| Under 40 | 5 | $414,000 |
| 40 to 49 | 91 | 506,000 |
| 50 to 64 | 607 | 569,000 |
| 65 and over | 82 | 672,000 |

Often obscured in the continuing debate over pay for performance is that what you make frequently depends on how much you manage. Chief executives of $5 billion (sales) firms earned a median of $902,000, compared with $337,000 for CEOs of companies under $500 million in sales. In every case, pay went up when sales were higher. Still, you have to deliver the goods. In at least 29 companies, when profits fell, year to year, so did the chief executive's salary and bonus.

Remember, too, that these figures are for chief executives only. Sometimes the boss doesn't bring home the biggest paycheck. MCA Chief Lew Wasserman's $530,000 compensation last year was peanuts next to President Sidney Sheinberg's $4.6 million. Sheinberg benefited from the exercise of a bunch of incentive stock plans. ■

## What the numbers mean

**Salary and bonus:**
Salary and bonus, whether paid in cash or deferred, as well as directors' fees and commissions.

**Other:**
Payments made under long-term compensation plans, restricted stock awards vested or released from restrictions in 1984, thrift plan contributions and other benefits.

**Stock gains:**
Net value realized in shares or cash from the exercise of stock options and/or stock appreciation rights granted in prior years.

**Rank in industry:**
Each chief executive's total compensation is ranked relative to that of others in the industry group. Industry group codes follow company names and are identified on page 153.

# Who Gets The Most Pay

## Ranked by industry

**U.S. business is not a level playing field when it comes to paying the boss. Tobacco CEOs make roughly five times the pay of those in electric utilities, while such growth industries as telecommunications and computers rank in between. Listed below are 42 industries* with median pay and the highest- and lowest-paid CEO for each.**

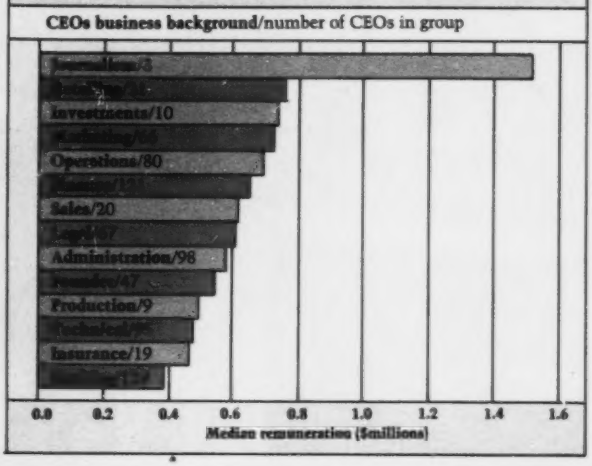
| Industry/number of companies | Median total compensation ($000) | Highest paid total compensation | | | Lowest paid total compensation | | |
|---|---|---|---|---|---|---|---|
| | | company | executive | amount ($000) | company | executive | amount ($000) |
| Tobacco/3 | 1,081 | Philip Morris | Hamish Maxwell | 1,272 | US Tobacco | Louis F Bantle | 1,074 |
| Beverages/5 | 1,050 | Coca-Cola | Roberto C Goizueta | 1,767 | General Cinema | Richard A Smith | 527 |
| Aerospace and defense/12 | 1,000 | E-Systems | John W Dixon | 2,566 | Grumman | John C Bierwirth | 536 |
| Diversified companies/37 | 971 | Utd Technologies | Harry J Gray | 2,173 | Berkshire Hathaway | Warren E Buffett | 100 |
| Petroleum/34 | 928 | Mesa Petroleum | T Boone Pickens Jr | 22,956 | Charter | Alexander P Zechella | 50 |
| Health care/31 | 871 | Humana | David A Jones | 17,921 | Shared Medical Sys | R James Macaleer | 289 |
| Packaging/5 | 855 | American Can | William S Woodside | 1,802 | Crown Cork & Seal | John F Connelly | 231 |
| Financial services/12 | 839 | Phibro-Salomon | John H Gutfreund | 2,339 | Telerate | Neil S Hirsch | 300 |
| Electrical equipment/5 | 820 | Emerson Electric | Charles F Knight | 2,126 | Square D | Dalton L Knauss | 480 |
| Service transportation/16 | 806 | Burlington Northern | Richard M Bressler | 1,516 | McLean Inds | Malcolm P McLean | 250 |
| Industrial machinery/11 | 782 | Colt Industries | David I Margolis | 1,667 | Tecumseh Products | Kenneth G Herrick | 195 |
| Publishing/14 | 778 | Dun & Bradstreet | Harrington Drake | 2,434 | American Greetings | Irving I Stone | 250 |
| Office equipment/2 | 764 | Xerox | David T Kearns | 918 | Pitney Bowes | George B Harvey | 611 |
| Food processors/28 | 747 | Ralston Purina | William P Stiritz | 3,057 | United Brands | Carl H Lindner | 35 |
| Consumer products/17 | 709 | Kimberly-Clark | Darwin E Smith | 1,560 | Maytag | Daniel J Krumm | 404 |
| Telecommunications/18 | 697 | Digital Switch | James L Donald | 1,704 | Western Union | Robert S Leventhal | 19 |
| Metals/16 | 696 | NVF | Victor Posner | 4,488 | Asarco | Ralph L Hennebach | 370 |
| Automobiles and trucks/9 | 683 | Chrysler | Lee A Iacocca | 5,510 | American Motors | José J Dedeurwaerder | 285 |
| Leisure and recreation/12 | 672 | Brunswick | Jack F Reichert | 964 | Polaroid | William J McCune Jr | 375 |
| Computers/17 | 670 | Data General | Edson D de Castro | 7,966 | Intergraph | James W Meadlock | 177 |
| Chemicals/17 | 667 | Rohm & Haas | Vincent L Gregory Jr | 1,885 | Stauffer Chemical | H Barclay Morley | 373 |
| Building materials/10 | 657 | Vulcan Materials | W Houston Blount | 924 | Armstrong World Inds | Joseph L Jones | 371 |
| Automotive suppliers/12 | 637 | Eaton | E Mandell de Windt | 2,260 | Snap-On Tools | William B Rayburn | 421 |
| Paper/17 | 626 | Boise Cascade | John B Fery | 1,937 | Consolidated Papers | George W Mead | 290 |
| Broadcasting/5 | 600 | CBS | Thomas H Wyman | 1,180 | Tele-Communications | John C Malone | 323 |
| Apparel/4 | 595 | VF | Lawrence R Pugh | 1,318 | United States Shoe | Philip G Barach | 383 |
| General retailers/16 | 589 | Sears, Roebuck | Edward R Telling | 2,131 | Wal-Mart Stores | Sam M Walton | 330 |
| Textiles/2 | 582 | Collins & Aikman | Donald F McCullough | 634 | Burlington Inds | William A Klopman | 530 |
| Electronics/14 | 572 | Avnet | Anthony R Hamilton | 3,851 | Perkin-Elmer | Horace G McDonnell Jr | 305 |
| Specialty retailers/18 | 562 | Toys "R" Us | Charles Lazarus | 11,070 | Petrie Stores | Milton J Petrie | 150 |
| Natural gas utilities/25 | 518 | Peoples Energy | Eugene A Tracy | 911 | Questar | R D Cash | 227 |
| Oilfield drillers and services/6 | 514 | Baker International | Ernest H Clark Jr | 1,304 | Dresser Inds | John J Murphy | 251 |
| Heavy equipment/2 | 511 | Caterpillar Tractor | Lee L Morgan | 669 | Deere | Robert A Hanson | 354 |
| Supermarkets/17 | 506 | Great A&P Tea | James Wood | 1,518 | Circle K | Karl Eller | 167 |
| Builders/4 | 504 | Amer Continental | Charles H Keating | 958 | Fluor | David S Tappan Jr | 406 |
| Insurance/28 | 503 | First Executive | Fred Carr | 4,465 | Kemper | Joseph E Luecke | 168 |
| Services/16 | 503 | Transworld Corp | L Edwin Smart | 893 | Shoney's | R L Danner | 187 |
| Air transport/13 | 452 | Southwest Airlines | Herbert D Kelleher | 1,969 | Republic Airlines | Daniel F May | 203 |
| Banks/150 | 413 | City National | Bram Goldsmith | 3,170 | First Florida Banks | A Bronson Thayer | 8 |
| Coal/1 | 410 | Pittston | Paul W Douglas | 410 | — | — | — |
| Thrift institutions/33 | 348 | CityFed Financial | Gilbert G Roessner | 1,628 | United Financial | Charles E Hurwitz | 11 |
| Electric utilities/71 | 277 | Pacific Gas & Elec | Frederick W Mielke Jr | 638 | Iowa-Illinois G&E | Barry C O'Brien | 142 |

*Forbes, in its Annual Report on American Industry *(Jan. 14, 1985)*, lists companies in as many as three industries. Throughout these tables, Forbes ranks CEOs' compensation by primary industry.

# Who Gets The Most Pay

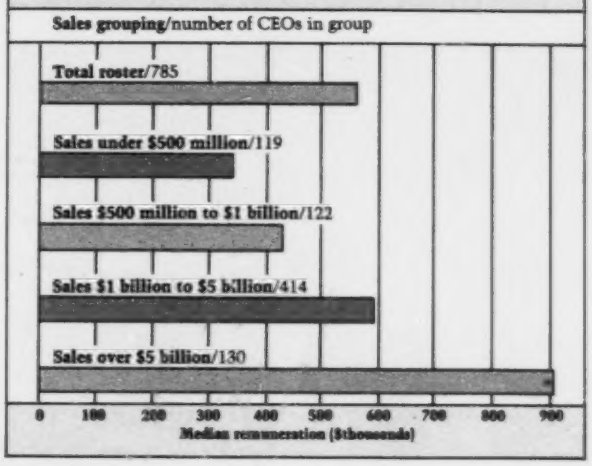
## Career paths

**This chart ranks median compensation by business background of the CEO. Aside from journalism, surely an anomaly, the surprise is pay in retailing.**




## More is more

**Search for size, as well as excellence. The bigger a company's volume of sales, as this chart shows, the greater its chief executive's total compensation.**




## Who makes what (companies listed alphabetically)

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 161 | Abbott Laboratories/21 | Robert A Schoellhorn/56 | 921 | 3 | — | 924 | 15 of 31 | 11 | 6 | Technical |
| 156 | Advanced Micro/18 | Walter J Sanders III/48 | 874 | 73 | — | 948 | 3 of 14 | 16 | 16 | Founder |
| 457 | Aetna Life & Cas/24 | James T Lynn/58 | 477 | 17 | — | 494 | 15 of 28 | 7 | 1 | Legal |
| 701 | Affiliated Bkshs Colo/ 6 | Leo Hill/61 | 224 | 18 | 23 | 265 | 130 of 150 | 21 | 2 | Administration |
| 258 | HF Ahmanson/41 | Richard H Deihl/56 | 631 | — | 113 | 745 | 4 of 33 | 35 | 1 | Banking |
| 241 | Air Prods & Chems/11 | Edward Donley/63 | 755 | 13 | — | 769 | 8 of 17 | 42 | 11 | Technical |
| 103 | Albertson's/37 | Warren E McCain/59 | 570 | 22 | 503 | 1,095 | 2 of 17 | 33 | 8 | Operations |
| 249 | Alco Standard/31 | Ray B Mundt/56 | 739 | 22 | — | 761 | 6 of 17 | 15 | 5 | Operations |
| 150 | Alexander & Baldwin/38 | Robert J Pfeiffer/65 | 719 | 97 | 146 | 961 | 6 of 16 | 25 | 5 | Operations |
| 172 | Alleghany/26 | Fred M Kirby/66 | 539 | 355 | — | 894 | 3 of 16 | 27 | 17 | Investment |
| 130 | Allegheny Intl/15 | Robert J Buckley/61 | 1,004 | 8 | — | 1,011 | 18 of 37 | 13 | 10 | Operations |
| 635 | Allegheny Power/16 | [1]Charles B Finch/65 | 325 | — | — | 325 | 23 of 71 | 31 | 13 | Legal |
| 731 | Allied Bancshares/ 6 | Gerald H Smith/54 | 194 | 29 | — | 223 | 139 of 150 | 26 | 13 | Banking |
| 83 | Allied Corp/15 | Edward L Hennessy Jr/57 | 1,100 | 20 | 132 | 1,252 | 11 of 37 | 6 | 6 | Finance |
| 178 | Allied Stores/34 | Thomas M Macioce/66 | 850 | 28 | — | 878[2] | 8 of 16 | 25 | 13 | Legal |
| 573 | Alltel/39 | Weldon W Case/64 | 378 | — | — | 378 | 15 of 18 | 25 | 24 | Operations |
| 247 | Alcoa/26 | Charles W Parry/60 | 740 | 22 | — | 762 | 7 of 16 | 37 | 2 | Operations |
| 324 | AMAX/26 | Pierre Gousseland/63 | 630 | 23 | — | 653 | 9 of 16 | 36 | 8 | Technical |
| 441 | Amerada Hess/32 | Philip Kramer/64 | 485 | 24 | — | 509 | 25 of 34 | 16 | 3 | Administration |
| 66 | American Brands/15 | Edward W Whittemore/62 | 1,135 | 30 | 197 | 1,362 | 9 of 37 | 38 | 4 | Marketing |
| 143 | Amer Broadcasting/ 8 | Leonard H Goldenson/79 | 962 | 11 | — | 973 | 2 of 5 | 51 | 35 | Legal |
| 39 | American Can/30 | William S Woodside/63 | 1,040 | 4 | 758 | 1,802 | 1 of 5 | 35 | 5 | Operations |
| 153 | American Continental/ 9 | Charles H Keating Jr/62 | 922 | 36 | — | 958 | 1 of 4 | 9 | 9 | Legal |
| 213 | American Cyanamid/11 | George J Sella Jr/56 | 788 | 13 | 24 | 825 | 7 of 17 | 30 | 2 | Operations |
| 505 | American Electric/16 | Willis S White Jr/58 | 431 | 9 | — | 440 | 9 of 71 | 36 | 9 | Technical |

NOTE: For explanation of industry group rankings, see page 153. [1]Succeeded by Klaus Bergman, 4/1/85. [2]Figures are for year ended 1/31/84.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 85 | American Express/19 | James D Robinson III/49 | 1,224 | — | — | 1,224 | 3 of 12 | 14 | 8 | Finance |
| 534 | American Fletcher/ 6 | Frank E McKinney Jr/46 | 342 | 5 | 67 | 413 | 75 of 150 | 17 | 12 | Banking |
| 187 | American General/24 | Harold S Hook/53 | 829 | 30 | — | 859 | 4 of 28 | 14 | 6 | Insurance |
| 714 | American Greetings/33 | Irving I Stone/76 | 250 | — | — | 250 | 14 of 14 | 61 | 25 | Administration |
| 74 | American Home Products/21 | John W Culligan/68 | 975 | 325 | — | 1,300 | 10 of 31 | 48 | 4 | Marketing |
| 347 | American Hospital/21 | Karl D Bays/51 | 622 | — | — | 622 | 23 of 31 | 26 | 14 | Sales |
| 230 | American Info Tech/39 | William L Weiss/56 | 745 | 54 | — | 799 | 6 of 18 | 34 | 1 | Operations |
| 75 | American Intl Group/24 | Maurice R Greenberg/60 | 750 | — | 547 | 1,297 | 2 of 28 | 24 | 18 | Insurance |
| 221 | American Medical/21 | Royce Diener/67 | 810 | — | — | 810 | 19 of 31 | 15 | 9 | Finance |
| 681 | American Motors/ 4 | José J Dedeurwaerder/52 | 279 | 6 | — | 285 | 9 of 9 | 3 | 1 | Operations |
| 588 | American Natl Ins/24 | Orson C Clay/54 | 312 | 54 | — | 367 | 23 of 28 | 14 | 7 | Administration |
| 269 | American Natural Res/27 | [3]Arthur R Seder Jr/65 | 610 | 21 | 104 | 735 | 5 of 25 | 25 | 8 | Legal |
| 613 | American Petrofina/32 | Paul D Meek/54 | 335 | 12 | — | 347 | 31 of 34 | 29 | 2 | Technical |
| 340 | American President/38 | Wilbur B Seaton/60 | 609 | 21 | — | 630 | 13 of 16 | 15 | 2 | Finance |
| 325 | American S&L Fla/41 | Morris N Broad/50 | 334 | — | 316 | 650 | 5 of 33 | 28 | 20 | Finance |
| 605 | American Security/ 6 | [4]W Jarvis Moody/57 | 352 | — | — | 352 | 96 of 150 | 21 | 5 | Banking |
| 79 | American Standard/38 | William A Marquard/65 | 855 | 85 | 323 | 1,263 | 2 of 16 | 32 | 13 | Operations |
| 323 | American Stores/35 | Lennie S Skaggs/61 | 653 | — | — | 653[5] | 8 of 18 | 40 | 19 | Retailing |
| 86 | American Tel & Tel/39 | Charles L Brown/63 | 990 | 229 | — | 1,218 | 3 of 18 | 39 | 6 | Operations |
| 648 | AmeriTrust/ 6 | Jerry V Jarrett/53 | 302 | 18 | — | 320 | 111 of 150 | 11 | 1 | Banking |
| 471 | Amfac/15 | Myron Du Bain/62 | 450 | 27 | — | 477 | 33 of 37 | 2 | 2 | Insurance |
| 107 | Amoco/32 | Richard M Morrow/59 | 838 | 38 | 208 | 1,084 | 9 of 34 | 37 | 1 | Technical |
| 425 | AMP/18 | Walter F Raab/61 | 413 | 114 | — | 527 | 11 of 14 | 32 | 3 | Finance |
| 78 | AMR/ 2 | [6]Albert V Casey/65 | 475 | — | 790 | 1,265 | 2 of 13 | 11 | 11 | Finance |
| 553 | AmSouth Bancorp/ 6 | John W Woods/53 | 399 | — | — | 399 | 82 of 150 | 15 | 13 | Banking |
| 526 | Anderson, Clayton/20 | [7]Thomas J Barlow/63 | 411 | 9 | — | 421 | 21 of 28 | 39 | 18 | Operations |
| 100 | Anheuser-Busch Cos/ 7 | August A Busch III/48 | 1,106 | 1 | — | 1,107 | 2 of 5 | 28 | 10 | Operations |
| 714 | Apollo Computer/13 | Thomas A Vanderslice/53 | 250 | — | — | 250 | 16 of 17 | 1 | 1 | Administration |
| 20 | Apple Computer/13 | John Sculley/46 | 2,164 | — | 175 | 2,339 | 4 of 17 | 2 | 2 | Marketing |
| 263 | Archer Daniels/20 | Dwayne O Andreas/67 | 741 | — | — | 741 | 15 of 28 | 14 | 14 | Finance |
| 184 | Arizona Bancwest/ 6 | Donald B Tostenrud/60 | 404 | 8 | 455 | 866 | 11 of 150 | 25 | 7 | Finance |
| 587 | Arizona Public Svc/16 | Keith L Turley/62 | 357 | 10 | — | 367 | 15 of 71 | 33 | 11 | Administration |
| 330 | Arkla/27 | [8]Edward Sheffield Nelson/44 | 550 | 14 | 79 | 643 | 7 of 25 | 21 | 12 | Legal |
| 476 | Armco/26 | [9]Harry Holiday Jr/61 | 452 | 19 | — | 471 | 12 of 16 | 36 | 6 | Operations |
| 582 | Armstrong World Inds/10 | Joseph L Jones/62 | 362 | 1 | 8 | 371 | 10 of 10 | 37 | 1 | Operations |
| 584 | Asarco/26 | Ralph L Hennebach/65 | 370 | — | — | 370 | 16 of 16 | 43 | 3 | Technical |
| 501 | Ashland Oil/32 | John R Hall/52 | 425 | 18 | — | 444 | 26 of 34 | 27 | 3 | Technical |
| 331 | Associated Dry Goods/34 | Joseph H Johnson/63 | 510 | — | 132 | 642 | 14 of 16 | 8 | 1 | Operations |
| 692 | Atlantic Bancorp/ 6 | Billy J Walker/54 | 262 | — | 14 | 276 | 127 of 150 | 36 | 9 | Banking |
| 743 | Atlantic City Elec/16 | [10]John D Feehan/56 | 205 | — | — | 205 | 57 of 71 | 32 | 12 | Technical |
| 131 | Atlantic Richfield/32 | William F Kieschnick/62 | 825 | 37 | 145 | 1,008 | 14 of 34 | 38 | 3 | Technical |
| 307 | Automatic Data Proc/36 | Josh S Weston/56 | 365 | — | 305 | 670 | 3 of 16 | 14 | 2 | Operations |
| 12 | Avnet/18 | Anthony R Hamilton/60 | 1,049 | 282 | 2,520 | 3,851 | 1 of 14 | 28 | 5 | Marketing |
| 204 | Avon Products/14 | Hicks B Waldron/61 | 797 | 38 | — | 835 | 6 of 17 | 1 | 1 | Marketing |
| 69 | Baker International/29 | Earnest H Clark Jr/58 | 911 | 45 | 383 | 1,339 | 1 of 6 | 37 | 20 | Technical |

NOTE: For explanation of industry group rankings, see page 153. [3]Succeeded by William T McCormick Jr, 5/1/85. [4]Succeeded by Daniel J Callahan III, 1/1/85. [5]Figures are for year ended 1/31/84. [6]Succeeded by Robert L Crandall, 3/1/85. [7]Succeeded by W Fenton Guinee, 2/1/85. [8]Succeeded by Thomas F McLarty, 3/1/85. [9]Succeeded by Robert E Boni, 2/1/85. [10]Succeeded by E Douglas Huggard, 4/23/85.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 314 | Bally Manufacturing/25 | Robert E Mullane Jr/53 | 592 | 72 | — | 665 | 7 of 12 | 12 | 5 | Administration |
| 577 | Baltimore Gas & Elec/16 | Bernard C Trueschler/62 | 338 | 36 | — | 374 | 13 of 71 | 37 | 5 | Technical |
| 533 | Banc One/ 6 | John B McCoy/42 | 414 | — | — | 414 | 74 of 150 | 18 | 1 | Banking |
| 711 | Banco Popular PR/ 6 | Rafael Cairión Jr/70 | 209 | 43 | — | 251 | 134 of 150 | 52 | 28 | Banking |
| 632 | BancOklahoma/ 6 | Leonard J Eaton Jr/50 | 304 | 29 | — | 333 | 106 of 150 | 13 | 6 | Banking |
| 628 | Bancorp Hawaii/ 6 | Frank J Manaut/61 | 325 | 12 | — | 338 | 103 of 150 | 34 | 4 | Banking |
| 391 | Bank of Boston/ 6 | William L Brown/63 | 519 | 43 | — | 562 | 39 of 150 | 36 | 2 | Banking |
| 667 | Bank of New England/ 6 | Peter H McCormick/49 | 288 | 5 | — | 293 | 117 of 150 | 21 | 1 | Banking |
| 298 | Bank of New York/ 6 | John Carter Bacot/52 | 680 | — | — | 680 | 26 of 150 | 25 | 3 | Finance |
| 313 | Bank of Virginia/ 6 | Frederick Deane Jr/58 | 412 | 31 | 223 | 665 | 27 of 150 | 31 | 11 | Finance |

**So why did he change the formula?**

Roberto Goizueta of Coca-Cola made $1.77 million last year. Donald Kendall of PepsiCo made $1.05 million.

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 609 | Bank South/ 6 | Robert P Guyton/48 | 333 | 16 | — | 349 | 97 of 150 | 4 | 3 | Banking |
| 341 | BankAmerica/ 6 | Samuel H Armacost/46 | 629 | — | — | 629 | 30 of 150 | 23 | 4 | Banking |
| 33 | Bankers Trust NY/ 6 | Alfred Brittain III/62 | 780 | 322 | 823 | 1,925 | 2 of 150 | 38 | 10 | Banking |
| 684 | Banks of Mid-America/ 6 | John W McLean/63 | 284 | — | — | 284 | 124 of 150 | 17 | 17 | Banking |
| 402 | Barnett Banks Fla/ 6 | Charles E Rice/49 | 542 | 12 | — | 554 | 42 of 150 | 19 | 5 | Banking |
| 406 | Bausch & Lomb/21 | Daniel E Gill/49 | 544 | — | — | 544 | 27 of 31 | 6 | 4 | Finance |
| 193 | Baxter Travenol Labs/21 | Vernon R Loucks Jr/50 | 465 | — | 387 | 852 | 18 of 31 | 19 | 5 | Marketing |
| 572 | BayBanks/ 6 | William M Crozier Jr/52 | 320 | 20 | 39 | 379 | 90 of 150 | 21 | 10 | Banking |
| 117 | Beatrice/20 | James L Dutt/60 | 1,058 | — | — | 1,058 | 8 of 28 | 37 | 5 | Administration |
| 283 | Becton, Dickinson/21 | Wesley J Howe/64 | 620 | 87 | — | 708 | 20 of 31 | 36 | 10 | Administration |
| 245 | Bell Atlantic/39 | Thomas E Bolger/57 | 434 | 332 | — | 766 | 7 of 18 | 42 | 1 | Administration |
| 401 | BellSouth/39 | John L Clendenin/51 | 538 | 17 | — | 555 | 14 of 18 | 29 | 1 | Operations |
| 179 | Beneficial Corp/19 | Finn M W Caspersen/43 | 688 | 189 | — | 877 | 6 of 12 | 13 | 8 | Finance |
| 64 | Bergen Brunswig/21 | Emil P Martini Jr/56 | 633 | 31 | 756 | 1,420 | 7 of 31 | 33 | 16 | Technical |
| 780 | Berkshire Hathaway/15 | Warren E Buffett/54 | 100 | — | — | 100 | 37 of 37 | 20 | 15 | Investment |
| 532 | Best Products/35 | Andrew M Lewis/39 | 414 | — | — | 414 | 14 of 18 | 16 | 1 | Retailing |
| 447 | Bethlehem Steel/26 | Donald H Trautlein/58 | 487 | 15 | — | 502 | 11 of 16 | 8 | 5 | Finance |
| 37 | Beverly Enterprises/21 | Robert Van Tuyle/72 | 470 | 115 | 1,291 | 1,876 | 5 of 31 | 13 | 10 | Administration |
| 684 | Big Three Industries/29 | Harry K Smith/73 | 309 | 5 | — | 314 | 5 of 6 | 59 | 21 | Administration |
| 195 | Black & Decker/14 | Laurence J Farley/49 | 625 | — | 225 | 850 | 5 of 17 | 6 | 2 | Finance |
| 45 | Boatmen's Bancshares/ 6 | Donald N Brandin/63 | 505 | — | — | 505 | 53 of 150 | 29 | 12 | Banking |
| 06 | Boeing/ 1 | Thornton A Wilson/64 | 997 | 94 | — | 1,091 | 5 of 12 | 42 | 16 | Technical |
| 32 | Boise Cascade/31 | John B Fery/55 | 565 | 50 | 1,323 | 1,937 | 1 of 17 | 28 | 12 | Production |
| 77 | Borden/20 | Eugene J Sullivan/64 | 792 | 220 | 259 | 1,271 | 4 of 28 | 39 | 5 | Sales |
| 49 | Borg-Warner/15 | James F Bere/62 | 730 | — | 881 | 1,611 | 5 of 37 | 24 | 13 | Production |
| 687 | Boston Edison/16 | Stephen J Sweeney/56 | 282 | — | — | 282 | 34 of 71 | 31 | 1 | Technical |
| 488 | Bowater/31 | Anthony P Gammie/50 | 443 | 18 | — | 461 | 12 of 17 | 30 | 2 | Production |
| 23 | Bristol-Myers/21 | Richard L Gelb/61 | 1,088 | — | 1,117 | 2,205 | 3 of 31 | 35 | 13 | Administration |
| 342 | Brown-Forman/ 7 | W L Lyons Brown Jr/48 | 615 | 14 | — | 628 | 4 of 5 | 24 | 9 | Marketing |
| 232 | Brown Group/ 3 | Bernard A Bridgewater Jr/51 | 576 | 22 | 190 | 789 | 2 of 4 | 6 | 3 | Administration |

NOTE: For explanation of industry group rankings, see page 153.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 638 | Browning-Ferris Inds/36 | Harry J Phillips Sr/55 | 325 | — | — | 325 | 14 of 16 | 15 | 7 | Founder |
| 148 | Brunswick/25 | Jack F Reichert/54 | 699 | 265 | — | 964 | 1 of 12 | 27 | 3 | Marketing |
| 34 | Brush Wellman/26 | Henry G Piper/63 | 543 | 14 | 1,359 | 1,916 | 2 of 16 | 26 | 7 | Technical |
| 421 | Burlington Inds/40 | William A Klopman/63 | 440 | 90 | — | 530 | 2 of 2 | 39 | 8 | Marketing |
| 58 | Burlington Northern/38 | Richard M Bressler/54 | 1,030 | 110 | 377 | 1,516 | 1 of 16 | 5 | 5 | Finance |
| 134 | Burroughs/13 | W Michael Blumenthal/59 | 950 | 47 | — | 997 | 6 of 17 | 5 | 4 | Administration |
| 61 | Cabot/32 | Robert A Charpie/59 | 591 | 893 | — | 1,484 | 5 of 34 | 16 | 16 | Technical |
| 451 | CalFed/41 | [11]Robert R Dockson/67 | 499 | — | — | 499 | 7 of 33 | 16 | 12 | Administration |
| 702 | California First Bk/ 6 | Yasushi Sumiya/57 | 229 | 36 | — | 265 | 131 of 150 | 4 | 4 | Banking |
| 359 | Campbell Soup/20 | R Gordon McGovern/58 | 580 | 1 | 24 | 605 | 16 of 28 | 29 | 4 | Marketing |
| 352 | Capital Cities/33 | Thomas S Murphy/60 | 535 | 77 | — | 612 | 11 of 14 | 30 | 18 | Administration |
| 246 | Capital Holding/24 | Thomas C Simons/56 | 748 | 15 | — | 763 | 7 of 28 | 7 | 7 | Insurance |
| 655 | Carolina Pwr & Lt/16 | Sherwood H Smith Jr/50 | 304 | 7 | — | 311 | 25 of 71 | 20 | 5 | Legal |
| 239 | Carter Hawley Hale/34 | Philip M Hawley/59 | 771 | — | — | 771 | 11 of 16 | 27 | 8 | Retailing |
| 639 | Carteret S&L/41 | Robert B O'Brien Jr/50 | 324 | — | — | 324 | 20 of 33 | 10 | 10 | Banking |
| 657 | Castle & Cooke/20 | Robert D Cook/55 | 310 | — | — | 310 | 24 of 28 | 7 | 1 | Finance |
| 309 | Caterpillar Tractor/22 | [12]Lee L Morgan/65 | 640 | 29 | — | 669 | 1 of 2 | 39 | 7 | Marketing |
| 93 | CBS/ 8 | Thomas H Wyman/55 | 1,165 | 15 | — | 1,180 | 1 of 5 | 5 | 5 | Marketing |
| 541 | CBT/ 6 | Walter J Connolly Jr/56 | 408 | — | — | 408 | 77 of 150 | 24 | 8 | Banking |
| 43 | Celanese/11 | John D Macomber/57 | 900 | — | 788 | 1,688 | 2 of 17 | 12 | 7 | Administration |
| 273 | Centel/39 | Robert P Reuss/67 | 545 | 185 | — | 730 | 8 of 18 | 12 | 12 | Operations |
| 585 | Centerre Bancorp/ 6 | Clarence C Barksdale/53 | 352 | 16 | 2 | 369 | 91 of 150 | 26 | 7 | Banking |
| 598 | Central & South West/16 | Durwood Chalker/61 | 341 | 16 | — | 357 | 18 of 71 | 35 | 5 | Technical |
| 550 | Central Bancorp/ 6 | Oliver W Birckhead/63 | 400 | — | — | 400 | 80 of 150 | 34 | 13 | Administration |
| 685 | Central Bancshares/ 6 | Harry B Brock Jr/59 | 271 | 12 | — | 284 | 125 of 150 | 14 | 14 | Founder |
| 599 | Central Fidelity Banks/ 6 | Carroll L Saine/51 | 340 | 15 | — | 355 | 94 of 150 | 28 | 4 | Banking |
| 762 | Central Ill Pub Svc/16 | Donald G Raymer/60 | 177 | 1 | — | 177 | 66 of 71 | 37 | 4 | Operations |
| 517 | Central Soya/20 | [13]Douglas G Fleming/55 | 430 | — | — | 430 | 20 of 28 | 31 | 5 | Sales |
| 563 | Centran/ 6 | Wilson M Brown Jr/58 | 391 | — | — | 391 | 87 of 150 | 6 | 4 | Banking |
| 123 | Champion Intl/31 | Andrew C Sigler/53 | 753 | 18 | 271 | 1,042 | 3 of 17 | 28 | 10 | Sales |
| 781 | Charter/32 | Alexander P Zechella/64 | 50 | — | — | 50[14] | 34 of 34 | 5 | 1 | Technical |
| 175 | Chase Manhattan/ 6 | Willard C Butcher/58 | 820 | 70 | — | 889 | 10 of 150 | 38 | 5 | Banking |
| 225 | Chemical New York/ 6 | Walter V Shipley/49 | 625 | 181 | — | 806 | 17 of 150 | 28 | 1 | Banking |
| 248 | Chesebrough-Pond's/14 | Ralph E Ward/64 | 523 | 238 | — | 762 | 8 of 17 | 38 | 17 | Marketing |
| 252 | Chevron/32 | George M Kellet/61 | 696 | 57 | — | 753 | 20 of 34 | 37 | 4 | Technical |
| 6 | Chrysler/ 4 | Lee Iacocca/60 | 1,195 | — | 4,315 | 5,510 | 1 of 9 | 6 | 5 | Operations |
| 483 | Chubb/24 | Henry U Harder/60 | 419 | 43 | — | 463 | 17 of 28 | 36 | 4 | Insurance |
| 169 | Cigna/24 | Robert D Kilpatrick/61 | 574 | 82 | 241 | 897 | 3 of 28 | 3 | 3 | Insurance |
| 706 | Cincinnati G&E/16 | William H Dickhoner/63 | 215 | 44 | — | 259 | 42 of 71 | 44 | 9 | Technical |
| 766 | Circle K/37 | Karl Eller/57 | 167 | — | — | 167 | 17 of 17 | 1 | 1 | Marketing |
| 595 | Citadel Holding/41 | Spencer Scott/62 | 362 | — | — | 362 | 15 of 33 | 39 | 15 | Banking |
| 285 | Citicorp/ 6 | John S Reed/46 | 678 | 27 | 130 | 835 | 13 of 150 | 20 | 1 | Banking |
| 379 | Citizens & So Ga/ 6 | Bennett A Brown/56 | 456 | 43 | 82 | 580 | 36 of 150 | 30 | 7 | Banking |
| 630 | Citizens & So SC/ 6 | Hugh M Chapman/52 | 331 | 6 | — | 337 | 104 of 150 | 26 | 10 | Banking |
| 529 | Citizens Fidelity/ 6 | J David Grissom/46 | 419 | — | — | 419 | 73 of 150 | 12 | 8 | Legal |

NOTE: For explanation of industry group rankings, see page 153. [11]Succeeded by George P Rutland, 1/1/85. [12]Succeeded by George A Schaefer, 2/1/85. [13]Succeeded by Donald P Eckrich, 1/6/85. [14]Salary would increase to $300,000 in 1985, subject to Bankruptcy Court approval.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 14 | City National/ 6 | Bram Goldsmith/62 | 641 | 2,529 | — | 3,170 | 1 of 150 | 10 | 10 | Finance |
| 47 | CityFed Financial/41 | Gilbert G Roessner/67 | 606 | 46 | 976 | 1,628 | 1 of 33 | 44 | 15 | Banking |
| 633 | Cleveland Electric/16 | Robert M Ginn/61 | 312 | 20 | — | 332 | 22 of 71 | 36 | 6 | Technical |
| 358 | Clorox/14 | Calvin S Hatch/64 | 576 | 30 | — | 606 | 14 of 17 | 13 | 4 | Sales |
| 293 | Coastal Corp/32 | Oscar S Wyatt Jr/60 | 678 | 19 | — | 697 | 21 of 34 | 29 | 29 | Founder |
| 40 | Coca-Cola/ 7 | Roberto C Goizueta/54 | 1,275 | 300 | 192 | 1,767 | 1 of 5 | 30 | 4 | Technical |
| 282 | Colgate-Palmolive/14 | Reuben Mark/46 | 709 | — | — | 709 | 9 of 17 | 22 | 1 | Marketing |
| 337 | Collins & Aikman/40 | Donald F McCullough/60 | 634 | — | — | 634 | 1 of 2 | 39 | 24 | Marketing |
| 439 | Colonial Penn Group/24 | John J MacWilliams/56 | 500 | 13 | — | 513 | 14 of 28 | 16 | 15 | Administration |
| 686 | Colorado Natl Bkshs/ 6 | Bruce M Rockwell/62 | 283 | — | — | 283 | 126 of 150 | 31 | 9 | Banking |
| 44 | Colt Industries/23 | David I Margolis/55 | 994 | 154 | 519 | 1,667 | 1 of 11 | 22 | 1 | Finance |
| 623 | Columbia Gas System/27 | John H Croom/52 | 325 | 15 | — | 340 | 23 of 25 | 31 | 1 | Marketing |
| 67 | Columbia S&L/41 | Thomas Spiegel/39 | 1,350 | — | — | 1,350 | 2 of 33 | 8 | 8 | Finance |
| 464 | Combined Intl/24 | Patrick G Ryan/48 | 430 | 53 | — | 483 | 16 of 28 | 21 | 2 | Insurance |
| 272 | Combustion Eng/23 | Charles E Hugel/56 | 730 | — | — | 730 | 8 of 11 | 2 | 1 | Operations |
| 470 | Comerica/ 6 | Donald R Mandich/59 | 478 | — | — | 478 | 59 of 150 | 34 | 4 | Banking |
| 754 | Commerce Bcshs/ 6 | James M Kemper Jr/63 | 179 | 7 | — | 185 | 144 of 150 | 38 | 18 | Banking |
| 674 | Commerce Union/ 6 | [15]Edward G Nelson/59 | 289 | — | — | 289 | 120 of 150 | 21 | 2 | Finance |
| 621 | Commonwealth Ed/16 | James J O'Connor/48 | 341 | — | — | 341 | 21 of 71 | 21 | 5 | Administration |
| 363 | Community Psych Ctrs/21 | James W Conte/57 | 500 | 99 | — | 599 | 25 of 31 | 16 | 8 | Administration |
| 398 | Computervision/13 | James R Berrett/45 | 450 | 106 | — | 556 | 12 of 17 | 2 | 2 | Technical |
| 70 | ConAgra/20 | Charles M Harper/57 | 758 | 570 | — | 1,328 | 3 of 28 | 10 | 9 | Administration |
| 397 | Consolidated Edison/16 | Arthur Hauspurg/60 | 415 | 142 | — | 557 | 2 of 71 | 16 | 3 | Technical |
| 127 | Consol Freightways/38 | Raymond F O'Brien/63 | 636 | 358 | 32 | 1,026 | 3 of 16 | 27 | 8 | Finance |
| 351 | Consol Natural Gas/27 | George J Tankersley/64 | 555 | 42 | 18 | 615 | 11 of 25 | 18 | 6 | Operations |
| 670 | Consolidated Papers/31 | George W Mead/57 | 278 | 12 | — | 290 | 17 of 17 | 32 | 19 | Operations |
| 689 | Consumers Power/16 | John D Selby/63 | 280 | — | — | 280 | 35 of 71 | 10 | 7 | Technical |
| 216 | Continental Bancorp/ 6 | Roy T Peraino/57 | 448 | 46 | 324 | 818 | 15 of 150 | 27 | 15 | Finance |
| 576 | Continental Corp/24 | John P Mascotte/46 | 357 | 18 | — | 375 | 22 of 28 | 4 | 2 | Insurance |
| 724 | Continental Illinois/ 6 | John E Swearingen/66 | 232 | — | — | 232 | 137 of 150 | 1 | 1 | Administration |
| 328 | Continental Telecom/39 | [16]James V Napier/48 | 590 | 55 | — | 645 | 12 of 18 | 20 | 2 | Finance |
| 305 | Control Data/13 | William C Norris/73 | 675 | — | — | 675 | 8 of 17 | 27 | 27 | Founder |
| 234 | Cooper Industries/23 | Robert Cizik/54 | 613 | 169 | — | 782 | 6 of 11 | 23 | 10 | Finance |
| 436 | Cooper Laboratories/21 | Parker G Montgomery/56 | 350 | 167 | — | 517 | 29 of 31 | 26 | 26 | Founder |
| 433 | CoreStates Financial/ 6 | G Morris Dorrance Jr/62 | 519 | — | — | 519 | 50 of 150 | 33 | 16 | Finance |
| 415 | Corning Glass Works/21 | James R Houghton/49 | 492 | — | 43 | 535 | 28 of 31 | 23 | 2 | Administration |
| 362 | Cox Communications/ 8 | William A Schwartz/47 | 600 | — | — | 600 | 3 of 5 | 12 | 2 | Marketing |
| 465 | CPC International/20 | James R Eisner/57 | 438 | 44 | — | 482 | 18 of 28 | 21 | 1 | Technical |
| 494 | Cray Research/13 | John A Rollwagen/44 | 385 | 10 | 56 | 451 | 13 of 17 | 9 | 4 | Marketing |
| 170 | Crocker National/ 6 | Frank V Cahouet/52 | 647 | 250 | — | 897 | 9 of 150 | 1 | 1 | Banking |
| 624 | Crown Central Pet/32 | Henry A Rosenberg Jr/55 | 326 | 14 | — | 339 | 32 of 34 | 32 | 14 | Administration |
| 725 | Crown Cork & Seal/30 | John F Connelly/80 | 231 | 1 | — | 231 | 5 of 5 | 28 | 28 | Sales |
| 468 | Crown Zellerbach/31 | William T Creson/55 | 472 | 9 | — | 481 | 10 of 17 | 8 | 3 | Technical |
| 142 | CSX/38 | Hays T Watkins/59 | 973 | — | — | 973 | 5 of 16 | 36 | 14 | Finance |
| 641 | Cullen/Frost Bankers/ 6 | Thomas C Frost/57 | 301 | 23 | — | 324 | 107 of 150 | 35 | 14 | Banking |

NOTE: For explanation of industry group rankings, see page 153. [15]Succeeded by Dennis C Bottorff, 1/1/85. [16]Succeeded by John N Lemasters, 2/1/85.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 260 | Cullinet Software/36 | John J Cullinane/50 | 717 | 27 | — | 744 | 2 of 16 | 17 | 17 | Founder |
| 616 | Cullum Companies/27 | [17]Charles G Cullum/68 | 338 | 7 | — | 345 | 15 of 17 | 47 | 8 | Founder |
| 50 | Cummins Engine/ 5 | Henry B Schacht/50 | 932 | 656 | — | 1,588 | 2 of 12 | 20 | 15 | Administration |
| 366 | Cyclops/26 | William H Knoell/60 | 484 | — | 112 | 596 | 10 of 16 | 18 | 12 | Legal |
| 742 | Dallas Federal Fin!/41 | Lloyd S Bowles Sr/68 | 205 | — | — | 205 | 27 of 33 | 40 | 13 | Finance |
| 284 | Dana/ 5 | Gerald B Mitchell/57 | 678 | — | 26 | 704 | 6 of 12 | 41 | 5 | Operations |
| 125 | Dart & Kraft/20 | John M Richman/57 | 890 | 26 | 120 | 1,036 | 9 of 28 | 30 | 6 | Legal |
| 4 | Data General/13 | Edson D de Castro/46 | 436 | — | 7,529 | 7,966 | 1 of 17 | 17 | 17 | Founder |
| 738 | Dauphin Deposit/ 6 | John D Wickert/62 | 208 | — | — | 208 | 142 of 150 | 11 | 5 | Banking |
| 45 | Dayton-Hudson/34 | Kenneth A Macke/46 | 843 | 277 | 509 | 1,629 | 2 of 16 | 23 | 1 | Retailing |
| 683 | Dayton Power & Lt/16 | [16]Robert E Frazer/56 | 274 | 10 | — | 284 | 33 of 71 | 10 | 7 | Finance |
| 602 | Deere/22 | Robert A Hanson/60 | 351 | 3 | — | 354 | 2 of 2 | 35 | 2 | Marketing |
| 734 | Delmarva Power & Lt/16 | Nevius M Curtis/55 | 214 | — | — | 214 | 54 of 71 | 6 | 3 | Administration |
| 564 | Delta Air Lines/ 2 | David C Garrett Jr/62 | 391 | — | — | 391 | 11 of 13 | 38 | 7 | Operations |
| 571 | Deluxe Check/33 | Eugene R Olson/59 | 342 | 40 | — | 382 | 13 of 14 | 41 | 7 | Marketing |
| 760 | Deposit Guaranty/ 6 | Emerson B Robinson Jr/42 | 171 | 10 | — | 181 | 145 of 150 | 17 | 1 | Banking |
| 417 | Detroit Edison/16 | Walter J McCarthy Jr/60 | 472 | 61 | — | 532 | 3 of 71 | 21 | 3 | Operations |
| 165 | Diamond Shamrock/32 | William H Bricker/53 | 892 | 17 | — | 908 | 18 of 34 | 16 | 8 | Marketing |
| 322 | Digital Equipment/13 | Kenneth H Olsen/59 | 655 | — | — | 655 | 10 of 17 | 27 | 27 | Founder |
| 42 | Digital Switch/39 | James L Donald/53 | 450 | — | 1,254 | 1,704 | 1 of 18 | 4 | 3 | Administration |
| 166 | Dillard Dept Stores/34 | William T Dillard Sr/70 | 878 | 30 | — | 908 | 7 of 16 | 46 | 46 | Founder |
| 254 | Walt Disney/25 | Michael D Eisner/43 | 750* | — | — | 750 | 4 of 12 | 1 | 1 | Operations |
| 600 | Dominion Bankshares/ 6 | Warner N Dalhouse/51 | 339 | — | 16 | 354 | 95 of 150 | 29 | 3 | Marketing |
| 661 | Dominion Resources/16 | William W Berry/53 | 304 | — | — | 304 | 28 of 71 | 28 | 2 | Technical |
| 158 | RR Donnelley/33 | John B Schwemm/51 | 546 | 129 | 268 | 943 | 5 of 14 | 20 | 1 | Legal |
| 482 | Dover/10 | Gary L Roubos/48 | 460 | 4 | — | 464 | 9 of 10 | 14 | 4 | Operations |
| 89 | Dow Chemical/11 | Paul F Oreffice/57 | 1,185 | 11 | — | 1,196 | 3 of 17 | 32 | 7 | Finance |
| 51 | Dow Jones/33 | Warren H Phillips/59 | 615 | 468 | 495 | 1,578 | 2 of 14 | 38 | 10 | Journalism |
| 778 | Downey Savings & Loan/41 | Gerald H McQuarrie/63 | 139 | — | — | 139 | 31 of 33 | 28 | 7 | Founder |
| 713 | Dresser Industries/29 | John J Murphy/53 | 251 | — | — | 251 | 6 of 6 | 33 | 1 | Technical |

## Not always to the swift

The top-paid CEO in an industry managed the most profitable firm in that industry in 12 out of 42 cases.

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 92 | El Du Pont/32 | Edward G Jefferson/63 | 1,092 | 48 | 46 | 1,186 | 6 of 34 | 34 | 4 | Technical |
| 640 | Duke Power/16 | William S Lee/56 | 264 | 60 | — | 324 | 24 of 71 | 30 | 3 | Technical |
| 18 | Dun & Bradstreet/33 | [15]Harrington Drake/65 | 975 | 135 | 1,459 | 2,569 | 1 of 14 | 37 | 10 | Marketing |
| 695 | Duquesne Light/16 | John M Arthur/62 | 272 | 1 | — | 273 | 39 of 71 | 40 | 16 | Operations |
| 19 | E-Systems/ 1 | John W Dixon/65 | 1,624 | 48 | 894 | 2,566 | 1 of 12 | 23 | 16 | Administration |
| 646 | Eastern Air Lines/ 2 | Frank Borman/57 | 322 | — | — | 322 | 12 of 13 | 15 | 9 | Technical |
| 444 | Eastern Gas & Fuel/27 | William J Pruyn/62 | 429 | — | 77 | 506 | 15 of 25 | 33 | 7 | Finance |
| 235 | Eastman Kodak/25 | Colby H Chandler/60 | 781 | — | — | 781 | 2 of 12 | 34 | 1 | Technical |
| 22 | Eaton/ 5 | E Mandell de Windt/64 | 968 | 592 | 700 | 2,260 | 1 of 12 | 43 | 15 | Operations |
| 431 | Jack Eckerd/35 | Stewart Turley/50 | 481 | 7 | 32 | 520 | 11 of 18 | 18 | 10 | Administration |

NOTE: For explanation of industry group rankings, see page 153. *Annualized current salary. [15]Succeeded by Jack W Evans, 1/1/85. [16]Succeeded by Peter H Forster, 12/31/84. [17]Succeeded by Charles W Moritz, 1/1/85.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 90 | EG&G/ 1 | Dean W Freed/62 | 812 | — | 379 | 1,191 | 3 of 12 | 14 | 2 | Technical |
| 728 | El Paso Electric/16 | Evern R Wall/52 | 226 | 1 | — | 227 | 51 of 71 | 28 | 9 | Technical |
| 26 | Emerson Electric/17 | Charles F Knight/49 | 1,025 | 10 | 1,091 | 2,126 | 1 of 5 | 12 | 11 | Administration |
| 186 | Emhart/23 | T Mitchell Ford/64 | 850 | 12 | — | 862 | 3 of 11 | 26 | 15 | Legal |
| 316 | Engelhard/11 | Orin R Smith/49 | 662 | — | — | 662 | 10 of 17 | 13 | 1 | Administration |
| 233 | Enserch/27 | William C McCord/57 | 725 | 19 | 44 | 788 | 4 of 25 | 36 | 14 | Technical |
| 676 | Equimark/ 6 | James D Lowry/44 | 288 | — | — | 288 | 121 of 150 | 2 | 1 | Banking |
| 448 | Equitable Bancorp/ 6 | H Grant Hathaway/57 | 501 | — | — | 501 | 55 of 150 | 30 | 3 | Banking |
| 586 | Equitable Resources/27 | Donald I Moritz/58 | 293 | 2 | 74 | 368 | 20 of 25 | 33 | 7 | Legal |
| 376 | Ethyl/11 | Floyd D Gottwald Jr/62 | 562 | 21 | — | 583 | 11 of 17 | 42 | 15 | Administration |
| 568 | Evans Products/35 | Victor Posner/67 | 384 | — | — | 384[20] | 15 of 18 | 3 | 1 | Administration |
| 17 | Exxon/32 | Clifton C Garvin Jr/63 | 1,350 | 60 | 1,236 | 2,645 | 2 of 34 | 38 | 9 | Technical |
| 611 | Farm & Home Savings/41 | C A Duncan Jr/68 | 348 | — | — | 348 | 17 of 33 | 40 | 29 | Administration |
| 524 | Farm House Foods/36 | Donald E Runge/47 | 394 | 27 | — | 422 | 12 of 16 | 19 | 1 | Founder |
| 339 | Farmers Group/24 | Richard G Lindsley/63 | 573 | 57 | — | 631 | 11 of 28 | 34 | 6 | Insurance |
| 755 | Federal Co/20 | R Lee Taylor II/43 | 185 | — | — | 185 | 25 of 28 | 19 | 3 | Administration |
| 556 | Federal Express/ 2 | Frederick W Smith/40 | 395 | 2 | — | 397 | 10 of 13 | 14 | 14 | Founder |
| 617 | Fedl Natl Mortgage/19 | David O Maxwell/55 | 340 | 4 | — | 344 | 11 of 12 | 4 | 4 | Legal |
| 133 | Federated Dept Stores/34 | Howard Goldfeder/59 | 715 | 5 | 282 | 1,002 | 6 of 16 | 38 | 4 | Retailing |
| 390 | Fidelcor/ 6 | Harold W Pote/38 | 385 | 52 | 125 | 563 | 38 of 150 | 13 | 1 | Banking |
| 591 | Fifth Third Bancorp/ 6 | Clement L Buenger/59 | 263 | 30 | 71 | 364 | 92 of 150 | 15 | 4 | Banking |
| 430 | Fin Corp of America/41 | William J Popejoy/47 | 520* | — | — | 520 | 6 of 33 | 1 | 1 | Banking |
| 606 | Fin Corp Santa Barbara/41 | Philip R Brinkerhoff/42 | 350* | — | — | 350 | 16 of 33 | 1 | 1 | Finance |
| 281 | Firestone/ 5 | John J Nevin/58 | 675 | 39 | — | 714 | 5 of 12 | 5 | 4 | Marketing |
| 645 | First Alabama Bcshs/ 6 | Willard L Hurley/59 | 294 | 27 | — | 322 | 109 of 150 | 27 | 1 | Banking |
| 450 | First American/ 6 | Kenneth L Roberts/52 | 369 | 8 | 123 | 500 | 57 of 150 | 9 | 8 | Banking |
| 410 | First Atlanta/ 6 | Thomas R Williams/56 | 470 | 70 | — | 540 | 44 of 150 | 12 | 8 | Banking |
| 498 | First Bank System/ 6 | George H Dixon/64 | 431 | 18 | — | 449 | 67 of 150 | 17 | 3 | Finance |
| 46 | First Boston/19 | Peter T Buchanan/50 | 1,400 | 228 | — | 1,628 | 2 of 12 | 28 | 2 | Investment |
| 400 | First Chicago/ 6 | Barry F Sullivan/54 | 523 | 32 | — | 555 | 41 of 150 | 4 | 4 | Banking |
| 735 | First Citizens/ 6 | Lewis R Holding/57 | 208 | 3 | — | 211 | 141 of 150 | 31 | 27 | Finance |
| 502 | First City Bancorp/ 6 | James A Elkins Jr/66 | 441 | — | — | 441 | 69 of 150 | 43 | 22 | Banking |
| 720 | First Columbia Finl/41 | Bob R Baker/48 | 239 | — | — | 239 | 25 of 33 | 19 | 2 | Banking |
| 730 | First Empire State/ 6 | Robert G Wilmers/51 | 225 | — | — | 225 | 138 of 150 | 2 | 2 | Banking |
| 9 | First Executive/24 | Fred Carr/54 | 742[21] | — | 3,723 | 4,465 | 1 of 28 | 10 | 10 | Finance |
| 642 | First Federal Mich/41 | James A Aliber/59 | 323 | — | — | 323 | 21 of 33 | 28 | 8 | Banking |
| 548 | First Federal S&L/41 | Gene E Rice/55 | 372 | 30 | — | 402 | 11 of 33 | 31 | 3 | Banking |
| 785 | First Florida Banks/ 6 | A Bronson Thayer/45 | 8[22] | — | — | 8 | 150 of 150 | 3 | 2 | Finance |
| 569 | First Hawaiian/ 6 | John D Bellinger/62 | 383 | — | — | 383 | 89 of 150 | 43 | 15 | Banking |
| 152 | First Interstate Bncp/ 6 | Joseph J Pinola/60 | 905 | — | 53 | 958 | 8 of 150 | 9 | 7 | Banking |
| 381 | First Kentucky Natl/ 6 | A Stevens Miles/55 | 337 | 12 | 229 | 579 | 37 of 150 | 31 | 10 | Banking |
| 708 | First Maryland Bncp/ 6 | Charles W Cole Jr/56 | 258 | 1 | — | 259 | 133 of 150 | 29 | 1 | Banking |
| 732 | First Natl Cincinnati/ 6 | Oliver W Waddell/54 | 221 | — | — | 221 | 140 of 150 | 28 | 1 | Banking |
| 478 | First Natl State Bncp/ 6 | Robert R Ferguson Jr/61 | 470 | — | — | 470 | 62 of 150 | 35 | 12 | Banking |
| 555 | First Natl Supermkts/37 | Richard J Bogomolny/50 | 397 | — | — | 397 | 13 of 17 | 12 | 10 | Administration |

NOTE: For explanation of industry group rankings, see page 153. *Annualized current salary. [20]Figure is for year ended 12/31/83. [21]Salary and bonus, for year ended 12/31/83; stock gains, for 1984. [22]Director's fee only.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 518 | First of America Bk/ 6 | James H Duncan/60 | 395 | 33 | — | 427 | 71 of 150 | 35 | 15 | Banking |
| 777 | First Oklahoma Bancorp/ 6 | Charles A Vose Jr/41 | 130 | 10 | — | 140 | 149 of 150 | 20 | 4 | Banking |
| 473 | First Pennsylvania/ 6 | George A Butler/57 | 420 | 2 | 54 | 476 | 60 of 150 | 35 | 5 | Banking |
| 625 | First Security/ 6 | Spencer F Eccles/50 | 332 | 7 | — | 339 | 101 of 150 | 26 | 4 | Banking |
| 610 | First Tennessee Natl/ 6 | Ronald Terry/54 | 337 | 12 | — | 349 | 98 of 150 | 28 | 11 | Banking |
| 443 | First Union/ 6 | Edward E Crutchfield Jr/43 | 493 | 13 | — | 506 | 52 of 150 | 20 | 1 | Banking |
| 620 | First Virginia Banks/ 6 | [23]Thomas K Malone Jr/65 | 327 | 14 | — | 341 | 100 of 150 | 34 | 6 | Banking |
| 535 | First Wisconsin/ 6 | Hal C Kuehl/62 | 305 | 14 | 94 | 413 | 76 of 150 | 37 | 7 | Banking |
| 257 | Fleet Financial/ 6 | J Terrence Murray/45 | 510 | 30 | 205 | 745 | 19 of 150 | 22 | 3 | Finance |
| 237 | Fleetwood Enterprises/25 | John C Crean/59 | 776 | — | — | 776 | 3 of 12 | 35 | 35 | Founder |

***Ms.* magazine, please copy**

Of 785 CEOs on the list, 2 are women: Washington Post's Katharine Graham, who earned $742,000, and Golden West Financial's Marion Sandler, who earned $374,000.

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 338 | Fleming Cos/36 | Richard D Harrison/62 | 633 | — | — | 633 | 5 of 16 | 31 | 19 | Legal |
| 704 | Florida Federal S&L/41 | Raleigh W Greene Jr/58 | 263 | — | — | 263 | 23 of 33 | 22 | 17 | Legal |
| 700 | Florida Natl Banks/ 6 | John D Uible/49 | 265 | — | — | 265 | 129 of 150 | 1 | 1 | Banking |
| 703 | Florida Progress/16 | Andrew H Hines Jr/62 | 264 | — | — | 264 | 41 of 71 | 33 | 12 | Technical |
| 543 | Fluor/ 9 | David S Tappan Jr/63 | 406 | — | — | 406 | 4 of 4 | 33 | 1 | Sales |
| 168 | FMC/15 | Robert H Malott/58 | 882 | 19 | — | 902 | 20 of 37 | 32 | 13 | Operations |
| 458 | Food Lion/37 | Ralph W Ketner/64 | 461 | 31 | — | 492 | 11 of 17 | 27 | 27 | Founder |
| 11 | Ford Motor/ 4 | [24]Philip Caldwell/65 | 1,581 | — | 2,485 | 4,066 | 2 of 9 | 32 | 5 | Administration |
| 198 | Fort Howard Paper/31 | Paul J Schierl/50 | 490 | 39 | 315 | 844 | 4 of 17 | 21 | 10 | Legal |
| 741 | Foster Wheeler/23 | Louis E Azzato/54 | 205 | — | — | 205 | 10 of 11 | 33 | 4 | Technical |
| 604 | FPL Group/16 | Marshall McDonald/67 | 339 | 13 | — | 352 | 19 of 71 | 13 | 1 | Administration |
| 405 | Freeport-McMoRan/11 | James R Moffett/46 | 530 | 16 | — | 546 | 12 of 17 | 15 | 1 | Technical |
| 259 | Fruehauf/ 4 | Robert D Rowan/63 | 744 | — | — | 744 | 4 of 9 | 29 | 11 | Finance |
| 56 | Gannett/33 | Allen H Neuharth/61 | 1,250 | — | 271 | 1,521 | 3 of 14 | 22 | 12 | Journalism |
| 261 | GATX/38 | James J Glasser/51 | 655 | 89 | — | 744 | 10 of 16 | 23 | 6 | Legal |
| 530 | Geico/24 | John J Byrne/52 | 419 | — | — | 419 | 19 of 28 | 9 | 9 | Insurance |
| 440 | Gelco/36 | N Bud Grossman/64 | 509 | — | 1 | 510 | 8 of 16 | 28 | 28 | Founder |
| 485 | GenCorp/ 5 | Michael G O'Neil/63 | 462 | — | — | 462 | 11 of 12 | 39 | 25 | Administration |
| 427 | General Cinema/ 7 | Richard A Smith/60 | 525 | 2 | — | 527 | 5 of 5 | 38 | 38 | Administration |
| 121 | General Dynamics/ 1 | David S Lewis/67 | 1,019 | 23 | — | 1,042 | 6 of 12 | 14 | 14 | Technical |
| 30 | General Electric/15 | John F Welch Jr/49 | 1,313 | 31 | 645 | 1,988 | 3 of 37 | 24 | 4 | Technical |
| 137 | General Foods/20 | James L Ferguson/59 | 968 | 12 | — | 981 | 10 of 28 | 22 | 11 | Marketing |
| 360 | General Host/37 | Harris J Ashton/53 | 604 | — | — | 604 | 7 of 17 | 20 | 15 | Legal |
| 176 | General Mills/20 | H Brewster Atwater Jr/54 | 675 | 25 | 188 | 888 | 13 of 28 | 27 | 4 | Marketing |
| 48 | General Motors/ 4 | Roger B Smith/59 | 1,592 | 22 | — | 1,614 | 3 of 9 | 35 | 4 | Finance |
| 659 | General Public Utils/16 | William G Kuhns/63 | 305 | — | — | 305 | 27 of 71 | 29 | 18 | Finance |
| 618 | General Re/24 | Frank W Munson/57 | 327 | 17 | — | 344 | 24 of 28 | 31 | 1 | Insurance |
| 370 | General Signal/18 | David T Kimball/57 | 590 | — | — | 590 | 6 of 14 | 12 | 1 | Administration |
| 474 | Genuine Parts/ 5 | Wilton Looney/66 | 475 | — | — | 475 | 10 of 12 | 46 | 23 | Operations |
| 712 | Georgia Federal Bank/41 | John B Zellars/61 | 251 | — | — | 251 | 24 of 33 | 34 | 8 | Banking |

NOTE: For explanation of industry group rankings, see page 153. [23]Succeeded by Robert H Zalokar, 1/1/85. [24]Succeeded by Donald E Peterson, 2/1/85.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 318 | Georgia-Pacific/31 | T Marshall Hahn Jr/58 | 659 | — | — | 659 | 8 of 17 | 10 | 2 | Technical |
| 206 | Giant Food/37 | Israel Cohen/72 | 835 | — | — | 835 | 4 of 17 | 49 | 7 | Founder |
| 536 | Gibraltar Financial/41 | Herbert J Young/53 | 408 | 5 | — | 413 | 9 of 33 | 32 | 16 | Administration |
| 124 | Gillette/14 | Colman M Mockler Jr/55 | 676 | 28 | 334 | 1,038 | 3 of 17 | 27 | 10 | Finance |
| 629 | Glendale Federal S&L/41 | Raymond D Edwards/66 | 334 | 4 | — | 338 | 19 of 33 | 39 | 20 | Marketing |
| 578 | Golden West Finl/41 | [25]Herbert M Sandler/53 | 374 | — | — | 374 | 13 of 33 | 21 | 21 | Founder |
| 385 | BF Goodrich/ 5 | John D Ong/51 | 557 | 14 | — | 570 | 7 of 12 | 24 | 5 | Legal |
| 159 | Goodyear/ 5 | Robert E Mercer/61 | 934 | — | — | 934 | 4 of 12 | 38 | 2 | Administration |
| 315 | Gould/18 | William T Ylvisaker/61 | 662 | 2 | — | 664 | 4 of 14 | 17 | 17 | Administration |
| 146 | WR Grace/15 | J Peter Grace/72 | 869 | 102 | — | 971 | 19 of 37 | 48 | 39 | Finance |
| 382 | WW Grainger/17 | David W Grainger/57 | 496 | 79 | — | 575 | 4 of 5 | 35 | 11 | Administration |
| 559 | Gt Am First Savings/41 | Gordon C Luce/59 | 396 | — | — | 396 | 12 of 33 | 15 | 15 | Administration |
| 57 | Great A&P Tea/37 | James Wood/55 | 1,258 | 260 | — | 1,518 | 1 of 17 | 5 | 5 | Retailing |
| 746 | Great Lakes Fedl S&L/41 | Roy E Weber/56 | 200 | — | — | 200 | 28 of 33 | 34 | 15 | Banking |
| 603 | Gt Northern Nekoosa/31 | William R Laidig/58 | 353 | — | — | 353 | 15 of 17 | 35 | 1 | Production |
| 242 | Gt Western Financial/41 | James F Montgomery/50 | 768 | — | — | 768 | 3 of 33 | 9 | 6 | Finance |
| 135 | Greyhound/38 | John W Teets/51 | 992 | — | — | 992 | 4 of 16 | 21 | 3 | Administration |
| 413 | Grumman/ 1 | John C Bierwirth/61 | 525 | 12 | — | 536 | 12 of 12 | 12 | 10 | Finance |
| 80 | GTE/39 | Theodore F Brophy/62 | 1,030 | 230 | — | 1,260 | 2 of 18 | 27 | 9 | Legal |
| 740 | Guarantee Financial/41 | Lewis S Eaton/65 | 206 | — | — | 206 | 26 of 33 | 39 | 18 | Banking |
| 60 | Gulf & Western Inds/15 | Martin S Davis/58 | 1,500 | — | — | 1,500 | 8 of 37 | 27 | 2 | Marketing |
| 546 | Gulf States Utilities/16 | Dr Paul W Murrill/50 | 394 | 9 | — | 403 | 11 of 71 | 7 | 3 | Administration |
| 240 | Halliburton/29 | Thomas H Cruikshank/54 | 558 | 212 | — | 770 | 2 of 6 | 16 | 2 | Legal |
| 509 | Hammermill Paper/31 | Albert F Duval/64 | 425 | 10 | — | 435 | 13 of 17 | 25 | 14 | Marketing |
| 306 | Harris Corp/13 | Joseph A Boyd/64 | 670 | — | — | 670 | 9 of 17 | 23 | 7 | Technical |
| 378 | Hartford National/ 6 | Robert L Newell/62 | 430 | 84 | 67 | 582 | 35 of 150 | 39 | 9 | Banking |
| 63 | HJ Heinz/20 | Anthony J F O'Reilly/49 | 832 | 417 | 189 | 1,438 | 2 of 28 | 16 | 5 | Legal |
| 91 | Hercules/11 | Alexander F Giacco/65 | 886 | 300 | — | 1,186 | 4 of 17 | 43 | 7 | Technical |
| 251 | Hershey Foods/20 | Richard A Zimmerman/53 | 467 | 287 | — | 754 | 14 of 28 | 27 | 1 | Operations |
| 122 | Hewlett-Packard/13 | John A Young/53 | 799 | 95 | 149 | 1,042 | 5 of 17 | 26 | 7 | Technical |
| 466 | Hilton Hotels/25 | Barron Hilton/57 | 481 | — | — | 481 | 10 of 12 | 30 | 19 | Administration |
| 515 | Holiday Corp/25 | Michael D Rose/43 | 342 | 10 | 80 | 431 | 11 of 12 | 11 | 4 | Operations |
| 539 | Home Federal S&L/41 | Kim Fletcher/57 | 409 | — | — | 409 | 10 of 33 | 34 | 16 | Finance |
| 199 | Homestake Mining/26 | Harry M Conger/54 | 425 | — | 418 | 843 | 4 of 16 | 9 | 6 | Technical |
| 326 | Honeywell/18 | Edson W Spencer/59 | 647 | — | — | 647 | 5 of 14 | 30 | 10 | Sales |
| 475 | Horizon Bancorp/ 6 | William J Shepherd/59 | 260 | 157 | 54 | 471 | 61 of 150 | 20 | 9 | Banking |
| 619 | George A Hormel/20 | Richard L Knowlton/53 | 339 | 4 | — | 343 | 23 of 28 | 36 | 3 | Marketing |
| 29 | Hospital Corp/21 | Dr Thomas F Frist Jr/46 | 251 | 251 | 1,496 | 1,998 | 4 of 31 | 16 | 2 | Founder |
| 88 | Household Intl/15 | Donald C Clark/53 | 980 | 79 | 142 | 1,201 | 12 of 37 | 29 | 2 | Finance |
| 504 | Houston Industries/16 | Don D Jordan/53 | 422 | 18 | — | 441 | 8 of 71 | 28 | 8 | Legal |
| 486 | Houston Natural Gas/27 | Kenneth L Lay/43 | 461 | — | — | 461 | 16 of 25 | 1 | 1 | Technical |
| 461 | Hughes Tool/29 | James R Lesch/63 | 410 | 12 | 43 | 465 | 4 of 6 | 38 | 5 | Administration |
| 2 | Humana/21 | David A Jones/53 | 722 | 85 | 17,113 | 17,921 | 1 of 31 | 23 | 23 | Founder |
| 371 | Huntington Bancshs/ 6 | Frank Wobst/51 | 516 | 16 | 55 | 588 | 33 of 150 | 10 | 4 | Banking |
| 132 | EF Hutton Group/19 | Robert Fomon/60 | 975 | 31 | — | 1,006 | 4 of 12 | 34 | 14 | Investment |

NOTE: For explanation of industry group rankings, see page 153. [25]Office jointly held with Marion O Sandler.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 104 | IC Industries/15 | William B Johnson/66 | 1,013 | 79 | — | 1,091 | 16 of 37 | 19 | 19 | Legal |
| 756 | Idaho Power/16 | James E Bruce/65 | 170 | 15 | — | 185 | 63 of 71 | 33 | 8 | Legal |
| 717 | Illinois Power/16 | Wendell J Kelley/59 | 248 | 1 | — | 249 | 46 of 71 | 35 | 18 | Technical |
| 129 | Illinois Tool Works/23 | John D Nichols/54 | 459 | 446 | 111 | 1,016 | 2 of 11 | 5 | 3 | Operations |
| 503 | Imperial Corp of Am/41 | Matthew J Shevlin/59 | 325 | 116 | — | 441 | 8 of 33 | 3 | 3 | Finance |
| 467 | Indiana National/ 6 | Thomas M Miller/55 | 371 | 5 | 104 | 481 | 58 of 150 | 30 | 4 | Banking |
| 219 | Ingersoll-Rand/23 | Thomas A Holmes/61 | 702 | 110 | — | 813 | 5 of 11 | 35 | 4 | Operations |
| 512 | Inland Steel/26 | Frank W Luerssen/57 | 423 | 9 | — | 432 | 14 of 16 | 33 | 2 | Technical |
| 508 | Intel/18 | Gordon E Moore/56 | 436 | — | — | 436 | 13 of 14 | 16 | 10 | Founder |
| 496 | Interco/15 | Harvey Saligman/46 | 450 | — | — | 450 | 34 of 37 | 9 | 2 | Technical |
| 612 | InterFirst/ 6 | Robert H Stewart III/59 | 348 | — | — | 348 | 99 of 150 | 34 | 1 | Banking |
| 763 | Intergraph/13 | James W Meadlock/51 | 177 | — | — | 177 | 17 of 17 | 16 | 16 | Founder |
| 13 | IBM/13 | [26]John R Opel/60 | 1,034 | — | 2,807 | 3,841 | 3 of 17 | 36 | 4 | Sales |
| 454 | Intl Flavors & Frag/11 | Henry G Walter Jr/74 | 426 | — | 71 | 497 | 15 of 17 | 22 | 22 | Legal |
| 374 | Intl Harvester/ 4 | Donald D Lennox/66 | 475 | 38 | 70 | 584 | 7 of 9 | 5 | 2 | Operations |
| 310 | Intl Minerals & Chem/11 | George D Kennedy/59 | 658 | 9 | — | 667 | 9 of 17 | 14 | 1 | Administration |
| 652 | International Paper/31 | John A Georges/54 | 314 | — | — | 314 | 16 of 17 | 6 | 1 | Technical |
| 180 | InterNorth/27 | Sam F Segnar/57 | 846 | 27 | — | 873 | 3 of 24 | 25 | 5 | Technical |
| 776 | Iowa-Illinois G&E/16 | Barry C O'Brien/58 | 138 | 4 | — | 142 | 71 of 71 | 25 | 1 | Finance |
| 729 | Ipalco Enterprises/16 | Zane G Todd/61 | 226 | — | — | 226 | 52 of 71 | 34 | 9 | Operations |
| 277 | Irving Bank/ 6 | Joseph A Rice/60 | 723 | — | — | 723 | 23 of 150 | 18 | 1 | Finance |
| 102 | ITT/15 | Rand V Araskog/53 | 721 | 121 | 256 | 1,097 | 15 of 37 | 18 | 5 | Administration |
| 236 | IU International/15 | John Gilray Christy/52 | 651 | 128 | — | 779 | 25 of 37 | 13 | 4 | Operations |
| 484 | James River Corp Va/31 | Brenton S Halsey/58 | 457 | 5 | — | 462 | 11 of 17 | 16 | 16 | Founder |
| 321 | Jefferson-Pilot/24 | W Roger Soles/64 | 650 | — | 7 | 657 | 10 of 28 | 38 | 17 | Investment |
| 285 | Jim Walter/10 | Joe B Cordell/57 | 597 | 45 | 61 | 703 | 4 of 10 | 26 | 1 | Finance |
| 181 | Johnson & Johnson/21 | James E Burke/60 | 871 | — | — | 871 | 16 of 31 | 32 | 8 | Marketing |
| 215 | Johnson Controls/17 | Fred L Brengel/62 | 820 | — | — | 820 | 3 of 5 | 37 | 18 | Sales |
| 211 | K mart/34 | Bernard M Fauber/62 | 825 | 1 | — | 826 | 10 of 16 | 43 | 5 | Retailing |
| 540 | Kaiser Alum & Chem/26 | Cornell C Maier/60 | 408 | — | — | 408 | 15 of 16 | 35 | 12 | Operations |
| 709 | Kansas City P&L/16 | Arthur J Doyle/62 | 252 | 4 | — | 256 | 44 of 71 | 12 | 5 | Legal |
| 758 | Kansas Gas & Elec/16 | Wilson K Cadman/57 | 181 | — | — | 181 | 64 of 71 | 34 | 4 | Administration |
| 751 | Kansas Power & Light/16 | William E Wall/57 | 188 | — | — | 188 | 62 of 71 | 10 | 9 | Legal |
| 151 | Kellogg/20 | William E LaMothe/58 | 740 | 30 | 190 | 960 | 11 of 28 | 34 | 6 | Marketing |
| 765 | Kemper/24 | Joseph E Luecke/58 | 168 | — | — | 168 | 28 of 28 | 33 | 6 | Insurance |
| 759 | Kentucky Utilities/16 | William B Bechanan/59 | 180 | 1 | — | 181 | 65 of 71 | 36 | 6 | Technical |
| 514 | Kerr-McGee/32 | Frank A McPherson/52 | 422 | 9 | — | 431 | 27 of 34 | 25 | 2 | Technical |
| 437 | Key Banks/ 6 | Victor J Riley Jr/53 | 513 | — | — | 513 | 51 of 150 | 21 | 11 | Finance |
| 253 | Kidde/15 | Fred R Sullivan/70 | 752 | — | — | 752 | 26 of 37 | 21 | 21 | Finance |
| 52 | Kimberly-Clark/14 | Darwin E Smith/59 | 862 | 15 | 683 | 1,560 | 1 of 17 | 27 | 13 | Legal |
| 105 | Knight-Ridder News/33 | Alvah H Chapman Jr/64 | 692 | 4 | 395 | 1,091 | 4 of 14 | 24 | 9 | Operations |
| 675 | Koppers/15 | Charles R Pullin/61 | 285 | 3 | — | 288 | 36 of 37 | 39 | 3 | Administration |
| 147 | Kroger/37 | Lyle Everingham/59 | 563 | 57 | 347 | 967 | 3 of 17 | 38 | 7 | Retailing |
| 705 | Landmark Banking Fla/ 6 | J Joseph Tuohy/59 | 257 | 5 | — | 263 | 132 of 150 | 6 | 6 | Banking |
| 274 | Lear Siegler/15 | Robert T Campion/64 | 729 | — | — | 729 | 29 of 37 | 27 | 14 | Finance |

NOTE: For explanation of industry group rankings, see page 153. [26]Succeeded by John F Akers, 2/1/85.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 552 | Leaseway Transport/38 | Gerald C McDonough/57 | 397 | 2 | — | 399 | 15 of 16 | 5 | 2 | Finance |
| 769 | Levi Strauss/ 3 | Robert D Haas/43 | 360 | 42 | — | 401 | 3 of 4 | 12 | 1 | Marketing |
| 146 | Libbey-Owens-Ford/ 5 | Don T McKone/63 | 685 | 1 | 305 | 990 | 3 of 12 | 36 | 6 | Administration |
| 7 | Eli Lilly/21 | Richard D Wood/58 | 781 | 164 | 382 | 1,327 | 9 of 31 | 35 | 12 | Marketing |
| 3[illegible] | Limited/35 | Leslie H Wexner/47 | 596 | — | — | 596 | 9 of 18 | 21 | 21 | Founder |
| 5[illegible] | Lincoln National/24 | Ian M Rolland/52 | 423 | — | — | 423 | 18 of 28 | 29 | 8 | Insurance |
| 3[illegible] | Litton Industries/15 | Fred W O'Green/64 | 1,021 | 24 | 833 | 1,878 | 4 of 37 | 22 | 3 | Technical |
| 228 | Lockheed/ 1 | Roy A Anderson/64 | 787 | 17 | — | 804 | 8 of 12 | 28 | 7 | Finance |
| 306 | Loews/24 | Laurence A Tisch/62 | 654 | 19 | — | 674 | 9 of 28 | 25 | 24 | Finance |
| 733 | Long Island Lighting/16 | William J Catacosinos/55 | 213 | 1 | — | 214 | 53 of 71 | 6 | 1 | Technical |
| 677 | Longs Drug Stores/35 | Robert M Long/47 | 288 | — | — | 288 | 16 of 18 | 24 | 8 | Retailing |
| 428 | Louisiana Land/32 | Ernest L Williamson/60 | 524 | 1 | — | 525 | 24 of 34 | 31 | 1 | Administration |
| 386 | Louisiana-Pacific/10 | Harry A Merlo/60 | 450 | 120 | — | 570 | 8 of 10 | 35 | 11 | Marketing |
| 769 | Louisville Gas & Elec/16 | Robert L Royer/57 | 162 | 1 | — | 163 | 69 of 71 | 36 | 6 | Technical |
| 525 | Lowe's Companies/35 | Leonard G Herring/58 | 367 | 55 | — | 421 | 13 of 18 | 29 | 6 | Finance |
| 223 | LTV/26 | Raymond A Hay/56 | 743 | 39 | 25 | 807 | 5 of 16 | 10 | 2 | Administration |
| 408 | Lubrizol/11 | Lester E Coleman/54 | 523 | 20 | — | 543 | 13 of 17 | 30 | 7 | Technical |
| 455 | Lucky Stores/37 | S Donley Ritchey/51 | 475 | — | 20 | 496 | 10 of 17 | 33 | 5 | Operations |
| 583 | M/A-Com/39 | Richard T DiBona/52 | 348 | 22 | — | 370 | 16 of 18 | 27 | 2 | Technical |
| 369 | Mack Trucks/ 4 | John B Curcio/51 | 360 | 231 | — | 591 | 6 of 9 | 18 | 1 | Marketing |
| 65 | RH Macy/34 | Edward S Finkelstein/60 | 761 | 623 | — | 1,384 | 3 of 16 | 36 | 4 | Retailing |
| 210 | Manufacturers Hanover/ 6 | John F McGillicuddy/54 | 777 | 52 | — | 828 | 14 of 150 | 26 | 6 | Legal |
| 647 | Manufacturers National/ 6 | Dean E Richardson/57 | 315 | 5 | — | 320 | 110 of 150 | 31 | 12 | Banking |
| 355 | Manville/10 | John A McKinney/61 | 601 | 10 | — | 611 | 6 of 10 | 33 | 8 | Legal |
| 581 | Mapco/32 | James E Barnes/51 | 353 | 18 | — | 371 | 28 of 34 | 2 | 1 | Operations |
| 658 | Marine/ 6 | George R Slater/61 | 305 | — | — | 305 | 113 of 150 | 9 | 7 | Banking |
| 424 | Marine Midland Banks/ 6 | John E Petty/55 | 512 | 17 | — | 528 | 48 of 150 | 8 | 2 | Finance |
| 499 | Marion Laboratories/21 | Fred W Lyons Jr/50 | 448 | — | — | 448 | 30 of 31 | 17 | 1 | Administration |
| 278 | Marriott/25 | J Willard Marriott Jr/53 | 723 | — | — | 723 | 5 of 12 | 29 | 12 | Administration |
| 231 | Marsh & McLennan Cos/24 | John M Regan Jr/64 | 500 | 296 | — | 796 | 6 of 28 | 39 | 12 | Insurance |

**And the last shall be first**

Tom Murphy of Capital Cities made $612,000 last year; Leonard Goldenson of ABC made $973,000; Thornton Bradshaw of RCA (NBC), $1.17 million; and Thomas Wyman of CBS, $1.18 million.

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 663 | Marshall & Ilsley/ 6 | John A Puelicher/64 | 300 | 2 | — | 302 | 115 of 150 | 39 | 27 | Banking |
| 208 | Martin Marietta/15 | Thomas G Pownall/63 | 828 | 1 | — | 829 | 23 of 37 | 22 | 3 | Marketing |
| 662 | Maryland National/ 6 | Alan P Hoblitzell Jr/54 | 302 | 1 | — | 303 | 114 of 150 | 28 | 2 | Banking |
| 243 | Masco/10 | Richard A Manoogian/48 | 767 | — | — | 767 | 3 of 10 | 27 | 17 | Administration |
| 126 | May Dept Stores/34 | David C Farrell/52 | 875 | — | 160 | 1,035 | 5 of 16 | 29 | 6 | Retailing |
| 544 | Maytag/14 | Daniel J Krumm/58 | 404 | — | — | 404 | 17 of 17 | 32 | 11 | Marketing |
| 419 | MCA/25 | Lew R Wasserman/72 | 500 | 30 | — | 530 | 9 of 12 | 48 | 38 | Sales |
| 422 | McDonald's/36 | Fred L Turner/52 | 500 | 30 | — | 530 | 7 of 16 | 29 | 11 | Retailing |
| 300 | McDonnell Douglas/ 1 | Sanford N McDonnell/62 | 658 | 21 | — | 679 | 9 of 12 | 36 | 13 | Technical |
| 82 | McGraw-Edison/17 | Edward J Williams/62 | 730 | 522 | — | 1,252 | 2 of 5 | 13 | 12 | Finance |

NOTE: For explanation of industry group rankings, see page 153.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) | | | | Rank in industry | Tenure (years) | | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | salary and bonus | other | stock gains | total | | with firm | as CEO | |
| 287 | McGraw-Hill/33 | Joseph L Dionne/52 | 565 | 110 | 26 | 702 | 10 of 14 | 19 | 2 | Operations |
| 292 | MCI Communications/39 | William G McGowan/57 | 520 | — | 177 | 697 | 9 of 18 | 16 | 16 | Founder |
| 312 | McKesson/21 | Neil E Harlan/64 | 600 | 11 | 56 | 666 | 21 of 31 | 11 | 1 | Administration |
| 714 | McLean Industries/38 | Malcolm P McLean/71 | 250 | — | — | 250 | 16 of 16 | 9 | 9 | Founder |
| 244 | MCorp/ 6 | Gene H Bishop/55 | 539 | 228 | — | 767 | 18 of 150 | 10 | 10 | Banking |
| 201 | Mead/31 | Burnell R Roberts/58 | 650 | 7 | 180 | 837 | 5 of 17 | 19 | 3 | Finance |
| 332 | Mellon Bank/ 6 | J David Barnes/56 | 575 | 65 | — | 640 | 29 of 150 | 29 | 4 | Banking |
| 250 | Melville/35 | Francis C Rooney Jr/63 | 677 | — | 79 | 756 | 7 of 18 | 32 | 21 | Retailing |
| 490 | Mercantile Bancorp/ 6 | Donald E Lasater/59 | 440 | 17 | — | 457 | 65 of 150 | 26 | 14 | Legal |
| 558 | Mercantile Bksha/ 6 | H Furlong Baldwin/53 | 385 | 12 | — | 397 | 84 of 150 | 28 | 9 | Banking |
| 291 | Mercantile Stores/34 | Leon P Winkelgr/59 | 654 | 45 | — | 698 | 12 of 16 | 36 | 10 | Retailing |
| 631 | Merchants National/ 6 | Otto N Frenzel III/54 | 330 | 4 | — | 334 | 105 of 150 | 30 | 12 | Banking |
| 160 | Merck/21 | John J Horan/64 | 930 | 1 | — | 932 | 14 of 31 | 33 | 9 | Legal |
| 500 | Meridian Bancorp/ 6 | Samuel A McCullough/46 | 430 | 16 | — | 445 | 68 of 150 | 9 | 7 | Banking |
| 344 | Merrill Lynch/19 | William A Schreyer/57 | 625 | — | — | 625 | 8 of 12 | 37 | 1 | Investment |
| 1 | Mesa Petroleum/32 | T Boone Pickens Jr/57 | 4,223 | 18,733 | — | 22,956 | 1 of 34 | 28 | 28 | Founder |
| 752 | Michigan National/ 6 | [27]Stanford C Stoddard/54 | 187 | — | — | 187 | 143 of 150 | 30 | 13 | Banking |
| 335 | MidCon/27 | Orval C Davis/65 | 607 | 30 | — | 637 | 8 of 25 | 26 | 7 | Technical |
| 492 | Middle South Utils/16 | Floyd W Lewis/59 | 441 | 12 | — | 454 | 7 of 71 | 35 | 13 | Legal |
| 192 | Midlantic Banks/ 6 | Robert Van Buren/60 | 605 | 135 | 113 | 853 | 12 of 150 | 14 | 8 | Banking |
| 761 | Midwest Financial/ 6 | David E Connor/60 | 175 | 5 | — | 180 | 146 of 150 | 33 | 16 | Banking |
| 226 | Minn Mining & Mfg/15 | Lewis W Lehr/64 | 806 | — | — | 806 | 24 of 37 | 38 | 6 | Technical |
| 435 | Mitchell Energy & Dev/27 | George P Mitchell/66 | 490 | 28 | — | 518 | 14 of 25 | 39 | 26 | Founder |
| 28 | Mobil/32 | Rawleigh Warner Jr/64 | 1,575 | 288 | 216 | 2,080 | 3 of 34 | 31 | 15 | Finance |
| 767 | Monfort of Colorado/20 | Kenneth W Monfort/56 | 165 | — | — | 165 | 27 of 28 | 35 | 5 | Founder |
| 197 | Monsanto/11 | Richard J Mahoney/51 | 708 | 20 | 117 | 845 | 5 of 17 | 22 | 1 | Marketing |
| 680 | Moore Financial/ 6 | Fred C Humphreys/61 | 281 | 4 | — | 285 | 123 of 150 | 34 | 1 | Banking |
| 128 | JP Morgan/ 6 | Lewis T Preston/58 | 938 | 81 | — | 1,018 | 6 of 150 | 33 | 5 | Banking |
| 472 | Morrison-Knudsen/ 9 | William H McMurren/57 | 476 | — | — | 476 | 3 of 4 | 30 | 13 | Administration |
| 212 | Morton Thiokol/11 | Charles S Locke/56 | 815 | 10 | — | 825 | 6 of 17 | 9 | 5 | Finance |
| 383 | Motorola/18 | Robert W Galvin/62 | 550 | 24 | — | 574 | 7 of 14 | 45 | 25 | Administration |
| 593 | Murphy Oil/32 | Robert J Sweeney/57 | 347 | 16 | — | 363 | 29 of 34 | 33 | 1 | Operations |
| 167 | Nabisco Brands/20 | F Ross Johnson/53 | 906 | — | — | 906 | 12 of 28 | 14 | 1 | Marketing |
| 521 | Nalco Chemical/11 | Worley H Clark Jr/53 | 402 | 23 | — | 425 | 16 of 17 | 25 | 2 | Sales |
| 678 | National Bcshs Texas/ 6 | Richard W Calvert/53 | 279 | 6 | — | 286 | 122 of 150 | 21 | 8 | Banking |
| 191 | National Can/30 | Frank W Considine/63 | 704 | 8 | 143 | 855 | 3 of 5 | 23 | 12 | Sales |
| 372 | National City/ 6 | Julien L McCall/64 | 540 | 47 | — | 587 | 34 of 150 | 13 | 4 | Banking |
| 72 | National Distillers/15 | Drummond C Bell/69 | 698 | — | 626 | 1,325 | 10 of 37 | 28 | 14 | Finance |
| 286 | National Gypsum/10 | John P Hayes/64 | 672 | — | 30 | 703 | 5 of 10 | 38 | 2 | Legal |
| 224 | National Intergroup/26 | Howard M Love/55 | 650 | — | 157 | 807 | 6 of 16 | 29 | 5 | Operations |
| 5 | National Medical/21 | Richard K Eamer/57 | 898 | — | 5,473 | 6,372 | 2 of 31 | 16 | 16 | Founder |
| 453 | Natl Semiconductor/18 | Charles E Sporck/57 | 498 | — | — | 498 | 12 of 14 | 18 | 18 | Production |
| 513 | National Service/36 | Erwin Zaban/63 | 432 | — | — | 432 | 11 of 16 | 48 | 12 | Administration |
| 279 | NBD Bancorp/ 6 | Charles T Fisher III/55 | 659 | 60 | — | 719 | 24 of 150 | 26 | 2 | Banking |
| 414 | NCNB/ 6 | Hugh L McColl Jr/50 | 523 | 14 | — | 536 | 45 of 150 | 25 | 1 | Banking |

NOTE: For explanation of industry group rankings, see page 153. [27]Succeeded by Robert J Mylod, 1/16/85.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 287 | NCR/13 | Charles E Exley Jr/55 | 831 | — | — | 831 | 7 of 17 | 8 | 2 | Finance |
| 730 | New England Electric/16 | Samuel Huntington/46 | 147 | 42 | — | 189 | 61 of 71 | 8 | 1 | Administration |
| 737 | NY State Elec & Gas/16 | Wells P Allen Jr/64 | 203 | 6 | — | 209 | 55 of 71 | 36 | 2 | Technical |
| 194 | New York Times/33 | Arthur Ochs Sulzberger/59 | 625 | 227 | — | 852 | 6 of 14 | 31 | 22 | Journalism |
| 487 | Newmont Mining/26 | Plato Malozemoff/75 | 461 | — | — | 461 | 13 of 16 | 39 | 31 | Administration |
| 693 | Niagara Mohawk Power/16 | John G Haebl Jr/62 | 274 | 2 | — | 275 | 37 of 71 | 23 | 12 | Finance |
| 561 | Nicor/27 | Clarence J Gauthier/63 | 277 | 117 | — | 395 | 18 of 25 | 39 | 14 | Technical |
| 392 | NL Industries/29 | Theodore C Rogers/51 | 369 | 193 | — | 562 | 3 of 6 | 5 | 3 | Operations |
| 268 | Norfolk Southern/28 | Robert B Claytor/53 | 722 | 15 | — | 737 | 11 of 16 | 33 | 3 | Legal |
| 396 | Nortek Bancorp/ 6 | Peter D Kiernan/61 | 458 | 100 | — | 558 | 40 of 150 | 11 | 11 | Insurance |
| 419 | North Amer Philips/18 | Cees Bruynes/52 | 530 | — | — | 530 | 10 of 14 | 10 | 3 | Marketing |
| 770 | Northeast Savings/41 | Kent Dixon/47 | 151 | — | — | 151 | 29 of 33 | 24 | 2 | Banking |
| 673 | Northeast Utilities/16 | William B Ellis/44 | 289 | — | — | 289 | 31 of 71 | 9 | 2 | Technical |
| 688 | No Indiana Pub Svc/27 | Edmund A Schroer/57 | 260 | 21 | — | 281 | 24 of 25 | 8 | 8 | Legal |
| 567 | No States Power/16 | Donald W McCarthy/63 | 383 | 1 | — | 384 | 12 of 71 | 37 | 8 | Operations |
| 496 | Northern Trust/ 6 | Weston R Christopherson/60 | 450* | — | — | 450 | 66 of 150 | 1 | 1 | Legal |
| 81 | Northrop/ 1 | Thomas V Jones/64 | 1,200 | 55 | — | 1,255 | 2 of 12 | 31 | 25 | Administration |
| 311 | Northwest Industries/15 | Ben W Heineman/71 | 625 | 42 | — | 667[28] | 31 of 37 | 29 | 29 | Founder |
| 446 | Northwestern Fnl/ 6 | Ben T Craig/52 | 377 | — | 126 | 503 | 54 of 150 | 7 | 7 | Banking |
| 626 | Nw'western Nat Life/24 | John E Pearson/58 | 298 | 40 | — | 339 | 25 of 28 | 32 | 8 | Sales |
| 255 | Norton/23 | Donald R Melville/58 | 538 | 16 | 194 | 748 | 7 of 11 | 18 | 5 | Marketing |
| 566 | Norwest/ 6 | [29]John W Morrison/63 | 356 | 11 | 18 | 385 | 88 of 150 | 8 | 3 | Administration |
| 8 | NVF/26 | Victor Posner/67 | 4,411 | 77 | — | 4,488[30] | 1 of 16 | 19 | 18 | Administration |
| 384 | NWA/ 2 | [31]R Joseph Lapensky/66 | 500 | — | 73 | 573 | 4 of 13 | 40 | 6 | Finance |
| 295 | Nynex/39 | Delbert C Staley/60 | 647 | 49 | — | 696 | 10 of 18 | 39 | 1 | Operations |
| 173 | Occidental Petroleum/32 | Armand Hammer/87 | 893 | — | — | 893 | 19 of 34 | 27 | 27 | Finance |
| 94 | Ogden/13 | Ralph E Ablon/69 | 1,175 | — | — | 1,175 | 13 of 37 | 30 | 23 | Administration |
| 666 | Ohio Edison/16 | Justin T Rogers Jr/55 | 295 | — | — | 295 | 29 of 71 | 26 | 5 | Legal |
| 497 | Oklahoma Gas & Elec/16 | James G Harlow Jr/51 | 259 | 12 | — | 272 | 40 of 71 | 24 | 9 | Finance |
| 444 | Old Kent Financial/ 6 | John C Canepa/54 | 322 | — | — | 322 | 108 of 150 | 15 | 3 | Banking |
| 560 | Old Stone/ 6 | Theodore W Barnes/54 | 373 | 23 | — | 396 | 85 of 150 | 37 | 9 | Banking |
| 256 | Olin/15 | John M Henske/62 | 735 | 13 | — | 748 | 27 of 37 | 15 | 7 | Operations |
| 380 | Owens-Corning/10 | William W Boeschenstein/59 | 561 | 18 | — | 579 | 7 of 10 | 34 | 12 | Marketing |
| 144 | Owens-Illinois/30 | Robert J Lanigan/57 | 831 | 10 | 130 | 971 | 2 of 5 | 34 | 1 | Administration |
| 297 | Pacor/ 4 | Charles M Pigott/56 | 683 | — | — | 683 | 5 of 9 | 29 | 17 | Administration |
| 334 | Pacific Gas & Elec/16 | Frederick W Mielke Jr/64 | 619 | 19 | — | 638 | 1 of 71 | 34 | 6 | Legal |
| 301 | Pacific Lighting/27 | Paul A Miller/60 | 660 | 18 | — | 678 | 6 of 25 | 36 | 16 | Finance |
| 688 | Pacific Resources/32 | [32]Joseph A Pelletier/62 | 342 | 8 | — | 350 | 30 of 34 | 12 | 1 | Operations |
| 222 | Pacific Telesis/39 | Donald E Guinn/52 | 810 | — | — | 810 | 5 of 18 | 31 | 1 | Operations |
| 459 | PacifiCorp/16 | Don C Frisbee/61 | 490 | — | — | 490 | 4 of 71 | 31 | 13 | Finance |
| 229 | Paine Webber Group/19 | Donald B Marron/50 | 800 | 1 | — | 801 | 7 of 12 | 26 | 5 | Investment |
| 493 | Pan Am/ 2 | C Edward Acker/56 | 450 | 2 | — | 452 | 7 of 13 | 3 | 3 | Administration |
| 622 | Panhandle Eastern/27 | Robert D Hunsucker/60 | 340 | — | — | 340 | 22 of 25 | 33 | 2 | Finance |
| 443 | Parker-Hannifin/23 | Paul G Schloemer/56 | 450 | 4 | 31 | 485 | 9 of 11 | 27 | 1 | Operations |
| 267 | Penn Central/15 | Alfred W Martinelli/57 | 712 | 26 | — | 738 | 28 of 37 | 25 | 3 | Finance |

NOTE: For explanation of industry group rankings, see page 153. *Annualized current salary. [28]Figures are for year ended 12/31/83. [29]Succeeded by Lloyd P Johnson, 2/27/85. [30]Figures are for year ended 12/31/85. [31]Succeeded by Steven G Rothmeir, 1/1/85. [32]Succeeded by Robert G Reed III, 4/26/85.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 329 | JC Penney/34 | William R Howell/49 | 501 | 143 | — | 644 | 13 of 16 | 27 | 1 | Retailing |
| 723 | Pennsylvania P&L/16 | Robert K Campbell/55 | 234 | — | — | 235 | 49 of 71 | 8 | 6 | Technical |
| 336 | Pennzoil/32 | J Hugh Liedtke/63 | 636 | — | — | 636 | 22 of 34 | 29 | 22 | Legal |
| 721 | Peoples Bancorp/ 6 | Joshua Green III/49 | 237 | — | — | 237 | 135 of 150 | 24 | 8 | Banking |
| 164 | Peoples Energy/27 | Eugene A Tracy/57 | 212 | 699 | — | 911 | 1 of 25 | 33 | 3 | Finance |
| 118 | PepsiCo/ 7 | Donald M Kendall/64 | 1,050 | — | — | 1,050 | 3 of 5 | 38 | 22 | Marketing |
| 660 | Perkin-Elmer/18 | Horace G McDonell Jr/56 | 305 | — | — | 305 | 14 of 14 | 33 | 1 | Technical |
| 771 | Petrie Stores/35 | Milton J Petrie/79 | 150 | — | — | 150 | 18 of 18 | 58 | 58 | Founder |
| 141 | Pfizer/21 | Edmund T Pratt Jr/58 | 976 | — | — | 976 | 12 of 31 | 20 | 12 | Finance |
| 21 | Phibro-Salomon/19 | John H Gutfreund/56 | 2,304 | 35 | — | 2,339 | 1 of 12 | 32 | 1 | Investment |

## Vital statistics

Armand Hammer, 87, of Occidental Petroleum is the oldest CEO. The youngest: Myron Filarski, 37, of Transohio Financial.

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 656 | Philadelphia Elec/16 | James L Everett/58 | 311 | — | — | 311 | 26 of 71 | 35 | 7 | Technical |
| 76 | Philip Morris/42 | Hamish Maxwell/58 | 907 | 1 | 364 | 1,272 | 1 of 3 | 31 | 1 | Marketing |
| 138 | Phillips Petroleum/32 | William C Douce/65 | 881 | 99 | — | 980 | 15 of 34 | 43 | 5 | Operations |
| 479 | Piedmont Aviation/ 2 | William R Howard/63 | 454 | — | 14 | 468 | 6 of 13 | 7 | 2 | Legal |
| 84 | Pillsbury/20 | [33]William H Spoor/62 | 892 | 336 | — | 1,228 | 5 of 28 | 35 | 12 | Operations |
| 506 | Pioneer/27 | C David Culver/49 | 337 | 103 | — | 440 | 17 of 25 | 24 | 2 | Operations |
| 757 | Pioneer Hi-Bred Intl/20 | Thomas N Urban/51 | 183 | — | — | 183 | 26 of 28 | 24 | 4 | Administration |
| 354 | Pitney Bowes/28 | George B Harvey/54 | 611 | — | — | 611 | 2 of 2 | 28 | 2 | Finance |
| 538 | Pittston/12 | Paul W Douglas/58 | 400 | 10 | — | 410 | 1 of 1 | 1 | 1 | Sales |
| 271 | PNC Financial/ 6 | [34]Merle E Gilliland/63 | 686 | 45 | — | 731 | 21 of 150 | 32 | 15 | Finance |
| 575 | Polaroid/25 | William J McCune Jr/70 | 375 | — | — | 375 | 12 of 12 | 45 | 5 | Technical |
| 718 | Portland Genl Elec/16 | Robert H Short/60 | 247 | — | — | 247 | 47 of 71 | 30 | 4 | Finance |
| 580 | Potomac Electric/16 | W Reid Thompson/60 | 329 | 43 | — | 373 | 14 of 71 | 14 | 14 | Legal |
| 389 | PPG Industries/ 5 | Vincent A Sarni/56 | 450 | 116 | — | 565 | 8 of 12 | 16 | 1 | Marketing |
| 736 | Price Co/35 | Robert E Price/42 | 210 | — | — | 210 | 17 of 18 | 9 | 9 | Founder |
| 589 | Primark/27 | Robert W Stewart/60 | 355 | 11 | — | 366 | 21 of 25 | 14 | 4 | Marketing |
| 537 | Prime Computer/13 | Joe M Henson/51 | 404 | 7 | — | 411 | 14 of 17 | 3 | 3 | Marketing |
| 108 | Procter & Gamble/14 | John G Smale/57 | 858 | 128 | 96 | 1,082 | 2 of 17 | 32 | 4 | Administration |
| 651 | Provident Life & Acc/24 | H Carey Hanlin/60 | 315 | — | — | 315 | 26 of 28 | 36 | 6 | Insurance |
| 590 | PSFS/41 | M Todd Cooke/65 | 366 | — | — | 366 | 14 of 33 | 19 | 6 | Finance |
| 726 | Public Service Colorado/16 | Richard F Walker/61 | 230 | 1 | — | 231 | 50 of 71 | 35 | 6 | Technical |
| 748 | Public Service Indiana/16 | Hugh A Barker/59 | 189 | 5 | — | 194 | 59 of 71 | 26 | 8 | Finance |
| 768 | Public Service NH/16 | Robert J Harrison/54 | 165 | — | — | 165 | 68 of 71 | 28 | 2 | Finance |
| 542 | Public Service NM/16 | Jerry D Geist/51 | 407 | — | — | 407 | 10 of 71 | 25 | 9 | Technical |
| 614 | Public Service E&G/16 | Harold W Sonn/64 | 340 | 7 | — | 347 | 20 of 71 | 38 | 1 | Administration |
| 749 | Puget Sound P&L/16 | John W Ellis/56 | 187 | 6 | — | 193 | 60 of 71 | 15 | 9 | Legal |
| 87 | Quaker Oats/20 | William D Smithburg/46 | 607 | — | 598 | 1,205 | 6 of 28 | 19 | 3 | Marketing |
| 727 | Questar/27 | R D Cash/43 | 219 | 8 | — | 227 | 25 of 25 | 8 | 3 | Technical |
| 429 | Rainier Bancorp/ 6 | G Robert Truex Jr/61 | 524 | — | — | 524 | 49 of 150 | 11 | 11 | Banking |
| 15 | Ralston Purina/20 | William P Stiritz/50 | 600 | 8 | 2,449 | 3,057 | 1 of 28 | 21 | 3 | Marketing |

NOTE: For explanation of industry group rankings, see page 153. [33]Succeeded by John M Stafford, 5/8/85. [34]Succeeded by Thomas H O'Brien, 4/1/85.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 188 | Raytheon/15 | Thomas L Phillips/61 | 852 | 6 | — | 858 | 21 of 37 | 37 | 16 | Technical |
| 95 | RCA/15 | [35]Thornton F Bradshaw/67 | 1,151 | 20 | — | 1,171 | 14 of 37 | 4 | 3 | Administration |
| 745 | Republic Airlines/ 2 | [36]Daniel F May/55 | 203 | — | — | 203 | 13 of 13 | 28 | 3 | Finance |
| 423 | Republic New York/ 6 | Walter H Weiner/54 | 529 | — | — | 529 | 47 of 150 | 5 | 5 | Legal |
| 327 | RepublicBank/ 6 | [37]James D Berry/64 | 599 | 48 | — | 647 | 28 of 150 | 35 | 8 | Banking |
| 227 | Revco DS/35 | Sidney Dworkin/64 | 604 | 62 | 139 | 805 | 6 of 18 | 29 | 18 | Founder |
| 68 | Revlon/21 | Michel C Bergerac/53 | 1,300 | 40 | — | 1,340 | 8 of 31 | 10 | 10 | Administration |
| 109 | RJ Reynolds Inds/42 | J Tylee Wilson/54 | 1,034 | 32 | 15 | 1,081 | 2 of 3 | 11 | 1 | Administration |
| 266 | Reynolds Metals/26 | David P Reynolds/70 | 573 | 166 | — | 739 | 8 of 16 | 48 | 9 | Marketing |
| 140 | Richardson-Vicks/14 | John S Scott/59 | 662 | 19 | 297 | 979 | 4 of 17 | 34 | 9 | Marketing |
| 449 | Riggs National/ 6 | Joe L Allbritton/60 | 500 | — | — | 500 | 56 of 150 | 4 | 3 | Finance |
| 649 | RIHT Financial/ 6 | Henry S Woodbridge Jr/56 | 310 | 6 | — | 317 | 112 of 150 | 30 | 10 | Finance |
| 155 | Rite Aid/35 | Alex Grass/57 | 499 | — | 450 | 949 | 4 of 18 | 32 | 22 | Founder |
| 317 | Roadway Services/38 | Charles F Zodrow/62 | 634 | 26 | — | 660 | 12 of 16 | 26 | 3 | Finance |
| 739 | Rochester Gas & Elec/16 | Paul W Briggs/62 | 203 | 4 | — | 207 | 56 of 71 | 39 | 4 | Finance |
| 98 | Rockwell Intl/ 1 | Robert Anderson/64 | 1,155 | — | — | 1,155 | 4 of 12 | 17 | 11 | Technical |
| 35 | Rohm & Haas/11 | Vincent L Gregory Jr/62 | 772 | 12 | 1,101 | 1,885 | 1 of 17 | 35 | 14 | Finance |
| 294 | Rubbermaid/14 | Stanley C Gault/59 | 696 | — | — | 696 | 11 of 17 | 5 | 5 | Marketing |
| 202 | Ryder System/38 | M Anthony Burns/42 | 836 | — | — | 836 | 8 of 16 | 11 | 2 | Finance |
| 531 | Safeco/24 | Roland M Trafton/65 | 355 | 9 | 53 | 417 | 20 of 28 | 32 | 6 | Finance |
| 442 | Safeway Stores/37 | Peter A Magowan/43 | 483 | 23 | — | 506 | 9 of 17 | 17 | 5 | Administration |
| 565 | St Paul Cos/24 | Robert J Haugh/59 | 333 | — | 55 | 387 | 21 of 28 | 36 | 1 | Insurance |
| 596 | San Diego Gas & Elec/16 | Thomas A Page/52 | 349 | 13 | — | 361 | 17 of 71 | 7 | 3 | Technical |
| 373 | Sanders Associates/ 1 | Jack L Bowers/64 | 585 | — | — | 585 | 11 of 12 | 8 | 6 | Administration |
| 183 | Santa Fe Southern/38 | John J Schmidt/57 | 863 | 5 | — | 868 | 7 of 16 | 29 | 2 | Legal |
| 99 | Sara Lee/20 | John H Bryan Jr/48 | 916 | — | 230 | 1,145 | 7 of 28 | 25 | 10 | Administration |
| 707 | Scana/16 | Virgil C Summer/64 | 244 | 15 | — | 259 | 43 of 71 | 47 | 5 | Operations |
| 319 | Schering-Plough/21 | Robert P Luciano/51 | 640 | 19 | — | 659 | 22 of 31 | 6 | 3 | Legal |
| 511 | SCM/15 | Paul H Elicker/62 | 417 | 16 | — | 433 | 35 of 37 | 28 | 13 | Finance |
| 399 | SCOA Industries/34 | Herbert H Schiff/68 | 556 | — | — | 556 | 15 of 16 | 46 | 20 | Retailing |
| 299 | Scott Paper/14 | Philip E Lippincott/49 | 680 | — | — | 680 | 12 of 17 | 26 | 3 | Operations |
| 238 | Sea-Land/38 | Joseph F Abely Jr/56 | 688 | 43 | 44 | 776 | 9 of 16 | 1 | 1 | Finance |
| 115 | GD Searle/21 | Donald H Rumsfeld/52 | 913 | 149 | — | 1,062 | 11 of 31 | 8 | 8 | Administration |
| 25 | Sears, Roebuck/34 | Edward R Telling/66 | 1,481 | 42 | 607 | 2,131 | 1 of 16 | 39 | 7 | Retailing |
| 59 | Security Pacific/ 6 | Richard J Flamson III/56 | 896 | — | 613 | 1,508 | 4 of 150 | 30 | 6 | Banking |
| 395 | Service Merchandise/35 | Raymond Zimmerman/52 | 531 | 29 | — | 560 | 10 of 18 | 24 | 12 | Founder |
| 690 | Shared Medical Sys/21 | R James Macaleer/51 | 278 | — | — | 278 | 31 of 31 | 16 | 16 | Founder |
| 480 | Shawmut/ 6 | John P LaWare/57 | 466 | — | — | 466 | 63 of 150 | 6 | 4 | Banking |
| 112 | Shell Oil/32 | John F Bookout/62 | 1,038 | 32 | — | 1,069 | 10 of 34 | 34 | 9 | Technical |
| 16 | Sherwin-Williams/35 | John G Breen/50 | 772 | 28 | 1,849 | 2,649 | 3 of 18 | 6 | 6 | Operations |
| 753 | Shoney's/36 | R L Danner/60 | 187 | — | — | 187 | 16 of 16 | 27 | 9 | Operations |
| 27 | Signal Cos/15 | Forrest N Shumway/58 | 927 | 38 | 1,137 | 2,101 | 2 of 37 | 28 | 17 | Legal |
| 367 | Singer/ 1 | Joseph B Flavin/56 | 595 | — | — | 595 | 10 of 12 | 9 | 9 | Finance |
| 185 | SmithKline Beckman/21 | Henry Wendt/51 | 737 | 22 | 104 | 863 | 17 of 31 | 30 | 3 | Marketing |
| 527 | Snap-On Tools/ 5 | William B Rayburn/60 | 416 | — | 5 | 421 | 12 of 12 | 31 | 1 | Marketing |

NOTE: For explanation of industry group rankings, see page 153. [35]Succeeded by Robert R Frederick, 3/6/85. [36]Succeeded by Stephen M Wolf, 4/25/85. [37]Succeeded by Gerald W Fronterhouse, 4/17/85.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 364 | Society/ 6 | Gordon E Heffern/61 | 415 | — | 182 | 597 | 32 of 150 | 11 | 2 | Administration |
| 346 | Sonat/27 | Ronald L Kuehn Jr/50 | 546 | 76 | — | 622 | 9 of 25 | 5 | 1 | Legal |
| 698 | South Carolina Natl/ 6 | James G Lindley/54 | 258 | 12 | — | 270 | 128 of 150 | 6 | 4 | Banking |
| 668 | Southeast Banking/ 6 | Charles J Zwick/58 | 290 | 3 | — | 293 | 118 of 150 | 16 | 5 | Finance |
| 491 | Southern Calif Edison/16 | Howard P Allen/60 | 444 | 12 | — | 456 | 6 of 71 | 31 | 1 | Legal |
| 461 | Southern Company/16 | Edward L Addison/55 | 486 | — | — | 486 | 5 of 71 | 31 | 1 | Technical |
| 696 | So New England Tel/39 | Walter H Monteith Jr/54 | 259 | 13 | — | 272 | 17 of 18 | 30 | 1 | Sales |
| 270 | Southland/37 | John P Thompson/59 | 607 | 127 | — | 735 | 5 of 17 | 36 | 24 | Finance |
| 432 | Southmark/19 | Gene E Phillips/47 | 520 | — | — | 520 | 9 of 12 | 5 | 5 | Investment |
| 516 | SouthTrust/ 6 | Wallace D Malone Jr/48 | 371 | 60 | — | 430 | 70 of 150 | 26 | 4 | Banking |
| 31 | Southwest Airlines/ 2 | Herbert D Kelleher/54 | 351 | — | 1,618 | 1,969 | 1 of 13 | 18 | 3 | Legal |
| 182 | Southwestern Bell/39 | Zane E Barnes/63 | 850 | 19 | — | 869 | 4 of 18 | 43 | 10 | Operations |
| 682 | Southwestern Pub Svc/16 | Berl M Springer/64 | 273 | 12 | — | 285 | 32 of 71 | 38 | 4 | Technical |
| 275 | Sovran Financial/ 6 | Clifford A Cutchins III/61 | 439 | 73 | 214 | 726 | 22 of 150 | 37 | 5 | Banking |
| 368 | Sperry/13 | Gerald G Probst/61 | 585 | — | 9 | 595 | 11 of 17 | 24 | 3 | Technical |
| 469 | Square D/17 | Donald L Knauss/57 | 480 | — | — | 480 | 5 of 5 | 16 | 1 | Technical |
| 149 | Squibb/21 | Richard M Furlaud/62 | 875 | 87 | — | 962 | 13 of 31 | 29 | 19 | Legal |
| 375 | Staley Continental/20 | Donald E Nordlund/63 | 583 | — | — | 583 | 17 of 28 | 29 | 12 | Administration |
| 96 | Standard Oil Ohio/32 | Alton W Whitehouse Jr/57 | 868 | 34 | 257 | 1,159 | 7 of 34 | 16 | 7 | Legal |
| 196 | Stanley Works/23 | Donald W Davis/64 | 694 | 1 | 153 | 847 | 4 of 11 | 37 | 19 | Administration |
| 489 | State Street Boston/ 6 | William S Edgerly/58 | 460 | — | — | 460 | 64 of 150 | 9 | 9 | Finance |
| 579 | Stauffer Chemical/11 | H Barclay Morley/56 | 373 | — | — | 373 | 17 of 17 | 22 | 11 | Technical |
| 350 | Sterling Drug/21 | [38]Dr W Clarke Wescoe/65 | 616 | — | — | 616 | 24 of 31 | 15 | 11 | Technical |
| 411 | Stop & Shop Cos/37 | Avram J Goldberg/55 | 534 | 6 | — | 540 | 8 of 17 | 27 | 6 | Retailing |
| 606 | Storer Communications/ 8 | Peter Storer/57 | 350 | — | — | 350 | 4 of 5 | 18 | 6 | Marketing |
| 510 | Student Loan/19 | Edward A Fox/48 | 399 | 35 | — | 435 | 10 of 12 | 12 | 12 | Finance |
| 407 | Subaru of America/ 4 | Harvey H Lamm/49 | 513 | 30 | — | 543 | 8 of 9 | 17 | 10 | Sales |
| 557 | Suburban Bancorp/ 6 | Robert F Tardio/56 | 397 | — | — | 397 | 83 of 150 | 11 | 11 | Finance |
| 773 | Sumitomo Bank Cal/ 6 | Teruhisa Shimizu/52 | 135 | 12 | — | 147 | 147 of 150 | 30 | 2 | Banking |
| 545 | Sun Banks/ 6 | Joel R Wells Jr/56 | 330 | 21 | 53 | 404 | 78 of 150 | 10 | 3 | Finance |

## What entrepreneurial revolution?

On the basis of their median compensation, CEOs with backgrounds in investments, operations, marketing, sales, finance, legal and administration all made more than founders.

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 120 | Sun Company/32 | Theodore A Burtis/63 | 880 | 14 | 150 | 1,045 | 13 of 34 | 18 | 6 | Technical |
| 154 | Sundstrand/ 1 | Evans W Erikson/58 | 551 | 407 | — | 958 | 7 of 12 | 33 | 5 | Technical |
| 722 | Sunwest Financial/ 6 | George S Jenks/58 | 235 | — | — | 235 | 136 of 150 | 34 | 3 | Banking |
| 636 | Super Food Services/36 | Jack Twyman/51 | 325 | — | — | 325 | 13 of 16 | 15 | 13 | Administration |
| 456 | Super Valu Stores/36 | Michael W Wright/47 | 463 | — | 33 | 495 | 9 of 16 | 8 | 4 | Legal |
| 357 | Supermarkets General/37 | Leonard Lieberman/56 | 600 | 8 | — | 609 | 6 of 17 | 21 | 2 | Legal |
| 601 | Swift Independent/20 | John A Copeland/61 | 347 | 7 | — | 354 | 22 of 28 | 37 | 4 | Production |
| 699 | Sysco/36 | John F Woodhouse/54 | 234 | 34 | — | 268 | 15 of 16 | 15 | 2 | Finance |
| 519 | Tambrands/14 | Edwin H Shutt/57 | 427 | — | — | 427 | 16 of 17 | 4 | 3 | Marketing |
| 671 | Tandem Computers/13 | James G Treybig/44 | 290 | — | — | 290 | 15 of 17 | 10 | 10 | Founder |

NOTE: For explanation of industry group rankings, see page 153. [38]Succeeded by John M Pietruski, 2/1/85.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 356 | Tandy/25 | John V Roach/46 | 552 | 58 | — | 610 | 8 of 12 | 18 | 3 | Operations |
| 694 | TECO Energy/16 | Hugh L Culbreath/64 | 259 | 16 | — | 275 | 38 of 71 | 28 | 13 | Finance |
| 747 | Tecumseh Products/23 | Kenneth G Herrick/64 | 195 | — | — | 195 | 11 of 11 | 45 | 14 | Production |
| 387 | Tektronix/18 | Earl Wantland/53 | 380 | 17 | 172 | 569 | 8 of 14 | 30 | 10 | Operations |
| 643 | Tele-Communications/ 8 | John C Malone/44 | 302 | 21 | — | 323 | 5 of 5 | 12 | 12 | Administration |
| 190 | Teledyne/15 | Henry E Singleton/68 | 850 | 6 | — | 856 | 22 of 37 | 24 | 24 | Founder |
| 664 | Telerate/19 | Neil S Hirsch/38 | 300 | — | — | 300 | 12 of 12 | 16 | 16 | Founder |
| 203 | Temple-Inland/30 | Clifford J Grum/50 | 617 | 219 | — | 836 | 4 of 5 | 16 | 1 | Finance |
| 157 | Tenneco/32 | James L Ketelsen/54 | 754 | 194 | — | 948 | 17 of 34 | 26 | 6 | Finance |
| 412 | Tesoro Petroleum/32 | Robert V West Jr/64 | 464 | 75 | — | 539 | 23 of 34 | 29 | 20 | Founder |
| 97 | Texaco/32 | John K McKinley/65 | 1,156 | — | — | 1,156 | 8 of 34 | 44 | 4 | Technical |
| 288 | Texas Air/ 2 | Francisco A Lorenzo/45 | 194 | 35 | 473 | 701 | 3 of 13 | 13 | 5 | Finance |
| 547 | Texas American Bcshs/ 6 | Lewis H Bond/63 | 389 | 14 | — | 403 | 79 of 150 | 33 | 22 | Banking |
| 41 | Texas Commerce Bcshs/ 6 | Ben F Love/60 | 774 | 966 | — | 1,740 | 3 of 150 | 18 | 12 | Finance |
| 349 | Texas Eastern/27 | I David Bufkin/63 | 570 | 46 | — | 616 | 10 of 25 | 36 | 5 | Technical |
| 393 | Texas Instruments/18 | J Fred Bucy/56 | 562 | — | — | 562 | 9 of 14 | 32 | 1 | Operations |
| 38 | Texas Oil & Gas/32 | Forrest E Hoglund/51 | 517 | — | 1,345 | 1,861 | 4 of 34 | 7 | 2 | Operations |
| 592 | Texas Utilities/16 | Perry G Brittain/60 | 350 | 13 | — | 363 | 16 of 71 | 35 | 2 | Technical |
| 289 | Textron/15 | [39]Robert P Straetz/63 | 667 | 33 | — | 701 | 30 of 37 | 39 | 5 | Sales |
| 119 | Third National/ 6 | [40]Charles J Kane/65 | 430 | 168 | 449 | 1,046 | 5 of 150 | 10 | 9 | Banking |
| 477 | Thrifty Corp/35 | Leonard H Straus/70 | 450 | 21 | — | 471 | 12 of 18 | 39 | 28 | Legal |
| 217 | Time Inc/33 | J Richard Munro/54 | 713 | 101 | — | 814 | 7 of 14 | 27 | 4 | Operations |
| 276 | Times Mirror/33 | Robert F Erburu/54 | 724 | — | — | 724 | 9 of 14 | 23 | 4 | Legal |
| 719 | Toledo Edison/16 | John P Williamson/63 | 235 | 11 | — | 246 | 48 of 71 | 34 | 12 | Finance |
| 665 | Toledo Trustcorp/ 6 | George W Haigh/53 | 274 | — | 26 | 300 | 116 of 150 | 8 | 6 | Banking |
| 353 | Torchmark/24 | [41]Frank P Samford Jr/64 | 611 | — | — | 611 | 12 of 28 | 37 | 18 | Legal |
| 636 | Tosco/32 | Matthew J Talbot/47 | 325 | — | — | 325 | 33 of 34 | 17 | 2 | Finance |
| 3 | Toys "R" Us/35 | Charles Lazarus/61 | 2,205 | 135 | 8,730 | 11,070 | 1 of 18 | 29 | 29 | Founder |
| 507 | Trans World Airlines/ 2 | Carl E Meyer Jr/56 | 350 | 75 | 12 | 437 | 8 of 13 | 17 | 6 | Finance |
| 177 | Transamerica/19 | James R Harvey/50 | 590 | — | 293 | 883 | 5 of 12 | 20 | 4 | Finance |
| 361 | Transco Energy/27 | William J Bowen/63 | 600 | — | — | 600 | 12 of 25 | 10 | 10 | Operations |
| 779 | Transohio Finl/41 | [42]Myron Filarski/37 | 103 | 19 | — | 122 | 32 of 33 | 13 | 1 | Banking |
| 174 | Transworld Corp/36 | L Edwin Smart/61 | 643 | 86 | 165 | 893 | 1 of 16 | 18 | 8 | Legal |
| 265 | Travelers/24 | Edward H Budd/52 | 680 | 14 | 45 | 740 | 8 of 28 | 30 | 4 | Insurance |
| 388 | Tribune/33 | Stanton R Cook/59 | 566 | — | — | 566 | 12 of 14 | 34 | 13 | Technical |
| 139 | Trust Co of Georgia/ 6 | Robert Strickland/58 | 339 | 95 | 546 | 979 | 7 of 150 | 36 | 8 | Banking |
| 53 | TRW/15 | Ruben F Mettler/61 | 840 | 25 | 689 | 1,554 | 6 of 37 | 30 | 7 | Technical |
| 710 | Tucson Electric/16 | [43]Theodore M Welp/51 | 249 | 5 | — | 255 | 45 of 71 | 11 | 9 | Finance |
| 418 | Turner/ 9 | Walter B Shaw/65 | 531 | — | — | 531 | 2 of 4 | 44 | 8 | Operations |
| 520 | UAL/ 2 | Richard J Ferris/48 | 425 | — | — | 425 | 9 of 13 | 22 | 6 | Administration |
| 111 | Union Camp/31 | Peter J McLaughlin/56 | 618 | 11 | 445 | 1,073 | 2 of 17 | 39 | 5 | Finance |
| 114 | Union Carbide/15 | Warren M Anderson/63 | 961 | 15 | 91 | 1,067 | 17 of 37 | 40 | 3 | Legal |
| 672 | Union Electric/16 | William E Cornelius/53 | 288 | 2 | — | 289 | 30 of 71 | 22 | 1 | Finance |
| 774 | Union National/ 6 | George F Kesel/52 | 145 | — | — | 145 | 148 of 150 | 8 | 3 | Banking |
| 116 | Union Pacific/32 | William S Cook/62 | 1,043 | 16 | — | 1,058 | 12 of 34 | 16 | 2 | Finance |

NOTE: For explanation of industry group rankings, see page 153. [39]Succeeded by Beverly F Dolan, 1/1/85. [40]Succeeded by Charles W Cook Jr, 1/17/85. [41]Succeeded by Ronald K Richey, 1/1/85. [42]Acting Chief Executive Officer. [43]Succeeded by Einar Greve, 1/4/85.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 403 | Union Trust Bancorp/ 6 | J Stevenson Peck/62 | 291 | — | 261 | 552 | 43 of 150 | 37 | 13 | Administration |
| 452 | Uniroyal/ 5 | Joseph P Flannery/53 | 470 | 29 | — | 499 | 9 of 12 | 26 | 5 | Marketing |
| 562 | United Banks of Colo/ 6 | N Berne Hart/55 | 372 | 21 | — | 393 | 86 of 150 | 31 | 6 | Banking |
| 782 | United Brands/20 | Carl H Lindner/66 | 35[44] | — | — | 35 | 28 of 28 | 1 | 1 | Finance |
| 574 | United Energy/27 | J Hugh Roff Jr/53 | 376 | 1 | — | 377 | 19 of 25 | 11 | 11 | Legal |
| 784 | United Financial/41 | Charles E Hurwitz/44 | 11[44] | — | — | 11 | 33 of 33 | 1 | 1 | Investment |
| 764 | United Illuminating/16 | [45]John D Fassett/59 | 173 | — | — | 173 | 67 of 71 | 11 | 9 | Legal |
| 348 | United Jersey Banks/ 6 | T Joseph Semrod/48 | 472 | — | 146 | 618 | 31 of 150 | 4 | 4 | Banking |
| 627 | United Missouri Bcshs/ 6 | R Crosby Kemper Jr/58 | 338 | — | — | 338 | 102 of 150 | 35 | 15 | Banking |
| 522 | US Bancorp/ 6 | John A Elorriaga/61 | 408 | 15 | — | 424 | 72 of 150 | 34 | 10 | Banking |
| 570 | United States Shoe/ 3 | Philip G Barach/55 | 383 | — | — | 383 | 4 of 4 | 24 | 17 | Administration |
| 145 | United States Steel/32 | David M Roderick/61 | 971 | — | — | 971 | 16 of 34 | 26 | 6 | Finance |
| 110 | US Tobacco/42 | Louis F Bantle/56 | 1,052 | 22 | — | 1,074 | 3 of 3 | 22 | 12 | Marketing |
| 280 | US Trust/ 6 | Daniel P Davison/60 | 452 | 210 | 54 | 715 | 25 of 150 | 6 | 4 | Banking |
| 333 | US West/39 | Jack A MacAllister/57 | 600 | 39 | — | 639 | 13 of 18 | 35 | 9 | Administration |
| 24 | United Technologies/15 | Harry J Gray/65 | 1,250 | 373 | 550 | 2,173 | 1 of 37 | 13 | 12 | Administration |
| 303 | United Telecom/39 | [46]Paul H Henson/59 | 635 | 11 | 29 | 675 | 11 of 18 | 26 | 18 | Technical |
| 416 | United Virginia Bkshs/ 6 | Joseph A Jennings/64 | 382 | 34 | 117 | 533 | 46 of 150 | 47 | 8 | Banking |
| 113 | Unocal/32 | Fred L Hartley/68 | 1,044 | 24 | — | 1,068 | 11 of 34 | 46 | 20 | Technical |
| 377 | Upjohn/21 | Ray T Parfet Jr/62 | 550 | 10 | 23 | 582 | 26 of 31 | 37 | 23 | Finance |
| 426 | USAir Group/ 2 | Edwin I Colodny/59 | 527 | — | — | 527 | 5 of 13 | 27 | 9 | Legal |
| 409 | USF&G/24 | Jack Moseley/54 | 387 | 156 | — | 543 | 13 of 28 | 31 | 5 | Insurance |
| 220 | USG/10 | [47]Edward W Duffy/66 | 802 | 11 | — | 812 | 2 of 10 | 44 | 2 | Sales |
| 189 | USLife/24 | Gordon E Crosby Jr/64 | 565 | 293 | — | 858 | 5 of 28 | 26 | 19 | Marketing |
| 744 | Utah Power & Light/16 | [48]Harry Blundell/60 | 186 | 17 | — | 203 | 58 of 71 | 36 | 6 | Finance |
| 434 | Valero Energy/27 | William E Greehey/49 | 333 | 186 | — | 518 | 13 of 25 | 21 | 11 | Finance |
| 772 | Valley Federal S&L/41 | Robert E Gibson/56 | 149 | — | — | 149 | 30 of 33 | 29 | 8 | Banking |
| 594 | Valley National/ 6 | Howard C McCrady/53 | 358 | 5 | — | 363 | 93 of 150 | 10 | 2 | Finance |
| 62 | Varian Associates/18 | Thomas D Sege/59 | 655 | 219 | 597 | 1,471 | 2 of 14 | 22 | 3 | Technical |
| 73 | VF/ 3 | Lawrence R Pugh/48 | 610 | — | 708 | 1,318 | 1 of 4 | 5 | 3 | Marketing |
| 162 | Vulcan Materials/10 | W Houston Blount/63 | 600 | 324 | — | 924 | 1 of 10 | 30 | 6 | Operations |
| 264 | Wachovia/ 6 | John G Medlin Jr/51 | 480 | 46 | 214 | 740 | 20 of 150 | 26 | 8 | Banking |
| 634 | Wal-Mart Stores/34 | Sam M Walton/67 | 300 | 30 | — | 330 | 16 of 16 | 39 | 39 | Founder |
| 597 | Waldbaum/37 | Ira Waldbaum/56 | 360 | — | — | 360 | 14 of 17 | 38 | 36 | Administration |
| 214 | Walgreen/35 | Charles R Walgreen III/49 | 492 | 329 | — | 820 | 5 of 18 | 33 | 14 | Operations |
| 10 | Wang Laboratories/13 | An Wang/65 | 606 | — | 3,814 | 4,420 | 2 of 17 | 34 | 34 | Founder |
| 302 | Warner Communications/25 | Steven J Ross/57 | 350 | 328 | — | 678 | 6 of 12 | 23 | 23 | Finance |
| 55 | Warner-Lambert/21 | [49]Ward S Hagan/65 | 896 | 17 | 622 | 1,535 | 6 of 31 | 15 | 7 | Marketing |
| 679 | Washington Mutual/41 | Louis H Pepper/61 | 270 | 7 | 8 | 285 | 22 of 33 | 3 | 3 | Legal |
| 653 | Washington National/24 | Stanley P Hutchison/61 | 298 | 6 | 9 | 314 | 27 of 28 | 38 | 9 | Legal |
| 262 | Washington Post/33 | Katharine Graham/68 | 547 | 195 | — | 742 | 8 of 14 | 22 | 12 | Administration |
| 775 | Washington Water/16 | Paul A Redmond/48 | 141 | 4 | — | 145 | 70 of 71 | 20 | 1 | Operations |
| 320 | Waste Management/36 | Dean L Buntrock/54 | 567 | 91 | — | 658 | 4 of 16 | 28 | 16 | Founder |
| 650 | Weis Markets/37 | Sigfried Weis/69 | 304 | 12 | — | 316 | 16 of 17 | 46 | 25 | Retailing |
| 218 | Wells Fargo/ 6 | Carl E Reichardt Jr/53 | 775 | — | 38 | 813 | 16 of 150 | 14 | 2 | Banking |

NOTE: For explanation of industry group rankings, see page 153. [44]Director's fee only. [45]Succeeded by George W Edwards, 4/15/85. [46]Succeeded by William T Esrey, 4/23/85. [47]Succeeded by Robert J Day, 6/1/85. [48]Succeeded by James C Taylor, 2/1/85. [49]Succeeded by Joseph D Williams, 1/1/85.

# Who Gets The Most Pay

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 394 | Wendy's Intl/36 | Robert L Barney/48 | 555 | 6 | — | 561 | 6 of 16 | 15 | 5 | Administration |
| 209 | West Point-Pepperell/14 | Joseph L Lanier Jr/53 | 498 | 331 | — | 829 | 7 of 17 | 28 | 9 | Operations |
| 615 | Western S&L/41 | Gary H Driggs/50 | 341 | 5 | — | 346 | 18 of 33 | 23 | 9 | Banking |
| 783 | Western Union/39 | Robert S Leventhal/58 | 19[50] | — | — | 19 | 18 of 18 | 1 | 1 | Operations |
| 54 | Westinghouse Electric/15 | Douglas D Danforth/62 | 858 | 684 | — | 1,543 | 7 of 37 | 30 | 1 | Production |
| 343 | Westvaco/31 | David L Luke III/61 | 601 | 25 | — | 626 | 9 of 17 | 33 | 21 | Finance |
| 460 | Wetterau/36 | Ted C Wetterau/57 | 490 | — | — | 490 | 10 of 16 | 33 | 15 | Marketing |
| 296 | Weyerhaeuser/31 | George H Weyerhaeuser/58 | 672 | 13 | — | 685 | 7 of 17 | 35 | 19 | Production |
| 290 | Whirlpool/14 | Jack D Sparks/62 | 626 | 31 | 43 | 699 | 10 of 17 | 44 | 2 | Marketing |
| 304 | White Consolidated/14 | Roy H Holdt/64 | 567 | 108 | — | 675 | 13 of 17 | 43 | 8 | Finance |

## The fast track

Of the five CEOs under the age of 40, three are in finance: Myron Filarski of Transohio Financial, Thomas Spiegel of Columbia Savings and Harold W. Pote of Fidelcor. And one of the exceptions—Neil Hirsch of Telerate—is close to finance. Odd man out? Retailer Andrew Lewis of Best Products.

| Rank | Company/industry group | Chief executive/age | Compensation ($000) salary and bonus | other | stock gains | total | Rank in industry | Tenure (years) with firm | as CEO | Business background |
|---|---|---|---|---|---|---|---|---|---|---|
| 551 | Whitney Holding/ 6 | Patrick A Delaney/53 | 363 | 36 | — | 399 | 81 of 150 | 31 | 8 | Banking |
| 345 | Whittaker/15 | Joseph F Alibrandi/56 | 525 | 98 | — | 623 | 32 of 37 | 15 | 10 | Administration |
| 7 | Wickes Cos/35 | Sanford C Sigoloff/54 | 957 | 4,338 | — | 5,295 | 2 of 18 | 3 | 3 | Operations |
| 554 | Willamette Inds/31 | William Swindells Jr/54 | 377 | 21 | — | 398 | 14 of 17 | 31 | 3 | Operations |
| 171 | Williams Cos/27 | Joseph H Williams/52 | 866 | 29 | — | 896 | 2 of 25 | 26 | 6 | Operations |
| 495 | Wilson Foods/20 | Kenneth J Griggy/51 | 403 | 48 | — | 450 | 19 of 28 | 9 | 9 | Marketing |
| 528 | Winn-Dixie Stores/37 | A Dano Davis/40 | 393 | 28 | — | 420 | 12 of 17 | 16 | 2 | Retailing |
| 691 | Wisconsin Electric/16 | Charles S McNeer/59 | 276 | 1 | — | 277 | 36 of 71 | 35 | 9 | Technical |
| 438 | Witco Chemical/11 | William Wishnick/60 | 513 | — | — | 513 | 14 of 17 | 43 | 13 | Administration |
| 200 | FW Woolworth/34 | John W Lynn/64 | 810 | 30 | — | 840 | 9 of 16 | 43 | 2 | Operations |
| 163 | Xerox/28 | David T Kearns/54 | 662 | 255 | — | 918 | 1 of 2 | 13 | 3 | Sales |
| 404 | Yellow Freight System/38 | George E Powell Jr/59 | 523 | 26 | — | 549 | 14 of 16 | 33 | 16 | Administration |
| 101 | Zayre/34 | Maurice Segall/56 | 1,100 | — | — | 1,100 | 4 of 16 | 7 | 7 | Retailing |
| 462 | Zenith Electronics/14 | Jerry K Pearlman/46 | 461 | 18 | 6 | 486 | 15 of 17 | 14 | 2 | Finance |
| 669 | Zions Utah Bancorp/ 6 | Roy W Simmons/69 | 212 | 80 | — | 292 | 119 of 150 | 31 | 19 | Banking |

NOTE: For explanation of industry group rankings, see below. [50]Director's fee only.

## Industry group codes

These numbers correspond with the industry group codes that follow company names in the second column of the table. Column eight ranks each individual's compensation within that industry group.

1. Aerospace and defense
2. Air transport
3. Apparel
4. Automobiles and trucks
5. Automotive suppliers
6. Banks
7. Beverages
8. Broadcasting
9. Builders
10. Building materials
11. Chemicals
12. Coal
13. Computers
14. Consumer products
15. Diversified companies
16. Electric utilities
17. Electrical equipment
18. Electronics
19. Financial services
20. Food processors
21. Health care
22. Heavy equipment
23. Industrial machinery
24. Insurance
25. Leisure and recreation
26. Metals
27. Natural gas utilities
28. Office equipment
29. Oilfield drillers and services
30. Packaging
31. Paper
32. Petroleum
33. Publishing
34. Retailers, general
35. Retailers, specialty
36. Services
37. Supermarkets
38. Surface transportation
39. Telecommunications
40. Textiles
41. Thrift institutions
42. Tobacco

ation, evaluating some programs before it places them on sale. Says Seymour Merrin, ComputerWorks chairman, "We get piles and piles of programs in here. Of those that we evaluate, probably 50% to 60% are so full of bugs that they are not worth further consideration. You can tell in five minutes."

Even the most respected programs can be infested with bugs. Years after it entered the market, WordStar, the most popular word processing program yet written, still harbors an omission that blocks proportionally spaced printing, which distorts the output of letter-quality printers. In each version of Ashton-Tate's dBASE II, which reportedly accounts for over 70% of the database management packages that are sold, as many of the program's defects are eliminated as possible.

What's going on here? In a competitive market, companies are supposed to put their best foot forward. Only partly true, says Edward M. Esber Jr., president of Ashton-Tate: "In the early days of the business the purchasers were technically oriented people. They were more willing to accept a fault in a product. Today it's more of a consumer market. We deliver many more packages, and users are less tolerant of bugs."

User hostility aside, too many products still go out with hidden flaws. Is that just in the nature of software? Not at all. Lotus Development Corp.'s bestselling 1-2-3 is one of the most complicated programs available, yet it is almost entirely bug-free. And Framework, a competitor of 1-2-3's published by Ashton-Tate, has fewer flaws than other products made by the company.

Developing bug-free software, it turns out, is exactly like developing any other defect-free product: It demands attention to quality. Burt Weiner, quality assurance manager at Lotus, says, "Every project here has at least one quality assurance person. Large efforts may have nearly a dozen. We are involved in each project from a very early stage. Often we do code walk-throughs, to see how a program has changed from earlier versions. And when the development process is over, we spend at least another third of the time in testing and fixing any errors we find."

Yet no company, no matter how committed to quality, can promise to deliver completely bug-free software, according to Janelle Bedke, vice president and general manager of Software Publishing Corp. The firm's well-debugged PFS-series programs are one of the software market's fastest-selling product lines. "It's easy to overtest," Bedke says. "If you're not careful, you could go on fixing things every day. Either you would never get the product out the door, or you would throw your manufacturing into a state of havoc."

That need to get products out the manufacturer's door, says ComputerWorks' Merrin, will probably always prevent software from being absolutely defect-free. "The price of software," Merrin says, "has come down in price so severely that there isn't enough money in it to be able to create an absolutely bug-free piece of software, especially for small companies that have difficulty attracting venture capital." Just when you thought it was safe to go back to the home computer.

**Technology**

# Health

*Older people face complications, even dangers, from the drugs they take. They also face the cost of solutions to the problem.*

# Bitter pills

**By Francesca Lunzer**

DURING THE 12 WEEKS that it was available in mid-1982, doctors wrote more than 500,000 prescriptions for Oraflex, a powerful antiarthritic drug developed by Eli Lilly & Co. For all its considerable promise, Oraflex was nevertheless voluntarily withdrawn from the market by Lilly in August 1982, following reports linking nearly 75 deaths in Great Britain and the U.S. to adverse side effects.

Virtually all those who died were over the age of 65, according to Judith Brown, health analyst for the American Association of Retired Persons (AARP). Dr. Peter Lamy, the director of the Center for Study of Therapeutics & Pharmacy on the Elderly at the University of Maryland, says the deaths very likely occurred because of toxic drug concentrations in the bodies of elderly patients.

Few drug companies test their products on people over 60. That's both ironic and tragic, since the elderly take a substantial portion of the drugs prescribed in the U.S. People over the age of 65 make up 12% of the population, but they accounted for 30% of the U.S. drug industry's $17.3 billion in sales last year.

The lack of a testing program for the elderly, according to Dr. T. Franklin Williams, director of the National Institute on Aging, causes 30,000 adverse-reaction-related deaths in older people each year. That number should rise as the percentage of elderly in the population rises. It is unlikely to fall anytime soon, in any case, if only because of the expenses related to testing drugs under the special conditions that prevail among the elderly. Most animal tests, for instance, are performed on laboratory rats whose metabolism resembles that of humans. Sixty-day-old rats, the standard used to test drugs, cost $6.82 each; "elder" rats, 24 months old, cost $72.82 apiece.

Given that the cost to develop each new drug has been rising rapidly—from $54 million on average in 1976 to $94 million in 1984—higher drug prices to cover additional testing are likely to hit the consumers it is meant to help. Medicare doesn't cover out-of-hospital prescription drugs, so 60% of the $5 billion that people over 65 spend each year on drugs comes from their own pockets. (People whose

## The top ten

**Of the ten most prescribed drugs for people over 65, six generic substitutes are available for more costly brand names, and one more, Valium, will be off-patent this year. Since Medicare reimbursement is unlikely soon, generic purchases could save older adults at least 50% on their current drug bills.**

| Name | Bestselling brand name (manufacturer) | Generic available? | Cost per 100 (brand name) | Cost per 100 (generic) | Daily frequency | Condition treated |
|---|---|---|---|---|---|---|
| 1 Digoxin | Lanoxin (Burroughs-Wellcome) | yes | $ 3.30 (0.25mg) | $ 1.45 (0.25mg) | once a day | Irregular heartbeat |
| 2 Ibuprofen* | Motrin (Upjohn) Rufen (Boots) | no | 13.95 (400mg) | 10.95 (400mg) | 3 to 4 times | Arthritis pain |
| 3 Propranolol | Inderal (Ayerst) | no | 16.50 (40mg) | — | 1 to 4 times | High blood pressure, heart problems |
| 4 Triampterene and Hydrochlorothiazide | Dyazide (Smith Kline & French) | no | 16.20 (NA) | — | 1 to 2 times | High blood pressure |
| 5 Hydrochlorothiazide | Hydrodiuril (Merck Sharp & Dohme) | yes | 9.95 (50mg) | 2.95 (50mg) | once a day | High blood pressure |
| 6 Furosemide | Lasix (Hoechst Russel) | yes | 11.95 (40mg) | 5.95 (40mg) | once a day | High blood pressure |
| 7 Nitroglycerin† | Nitro-Bid (Marion Labs) | yes | 19.50 (6.5mg) | 5.50 (6.5mg) | as needed | Angina |
| 8 Diazepam | Valium (Roche Products) | no | 21.95 (5mg) | — | 3 to 4 times | Anxiety |
| 9 Isosorbide | Isordil (Ives Laboratories) | yes | 10.75 (10mg) | 2.95 (10mg) | 2 to 3 times | Angina |
| 10 Methyldopa | Aldomet (Merck Sharp & Dohme) | yes | 16.25 (250mg) | 11.95 (250mg) | 3 times | High blood pressure |

*Prescription. †Capsules. NA: Not applicable.

*Sources: Arthur D. Little, American Association of Retired Persons Pharmacy Service. The brand name and generic prices given are those of the AARP Pharmacy Service, which are, on average, 20% lower than retail pharmacy prices.*

# Health

medical costs are not supplemented by Medicaid or who do not have private insurance in addition to Medicare have an average out-of-pocket cost of $249 for prescription drugs each year.)

While reimbursement or copayment for prescription drugs is often proposed when revisions of the Medicare and Medicaid bill are debated, it is unlikely that such legislation will ever be passed. Gary Christopherson, health analyst for the House Select Committee on Aging, says that the cost of copayment would be in excess of $5 billion—a nonstarter at a time of megadeficits.

What is it about the elderly that makes it so hard to develop safe dosages? Drugs are ordinarily administered initially in strong doses in order to get a quick buildup to the proper concentration needed to work on the problem. Any surplus medication is normally excreted by the body, so that the drug doesn't build up to toxic levels, which can cause adverse reactions and even death. But older adults usually do not metabolize or excrete drugs in the same way that younger people do. The liver and kidneys, the principal mechanisms for excreting drugs, lose some of their function with age. Worse, excretion is hindered in many older people by a variety of chronic diseases that also affect these organs. Changing the dosage, to a smaller amount more times a day, for example, may facilitate excretion and also accommodate other processes in the body that affect the metabolism of drugs, but it lowers the rate at which the body responds to treatment. That's far more crucial in older people than in the young, whose natural defenses are stronger.

Not only is excretion a problem, but so is circulation. Slower circulation in older people changes the way drugs are carried through the bloodstream. The level of carrier proteins, which bind with certain drugs and transport them to the site of action, decreases with age.

Even if the metabolism of elderly people was up to it, though, there is another problem. Old people take more drugs than young people, an average of 15 prescriptions per year vs. 5.5 for people under 65. Often they are on several drugs simultaneously. Drug-to-drug interactions, according to the drug companies, make testing on older people far more difficult because it distorts the data on their own medications.

But test them they will, for all the difficulties. The Food & Drug Administration will issue guidelines this summer for testing drugs in the elderly, including a "pharmacokinetic screen" testing of the movement of drugs within the body. While the FDA guidelines will undoubtedly improve the effectiveness of drugs on older people, they will also certainly increase costs.

Unfortunate as that is, older people are not likely to get relief on the cost problem anytime soon. According to Marcia Codling of Arthur D. Little, the cost of reimbursing older people for prescription drugs might be manageable if patients switched to generic drugs *(see table)*. That's a good idea in theory, but in certain states no substitution of a generic for a name-brand drug can be made unless specifically called for by the doctor. The AARP Pharmacy Service often sends notes to patients informing them of the availability of a generic and suggesting that they ask their doctor to prescribe it.

"Sometimes we get notes from doctors thanking us for reminding them to specifically prescribe a generic," says Nancy Olins of the AARP Pharmacy Service. But, she adds, "sometimes we get notes telling us to mind our own business."

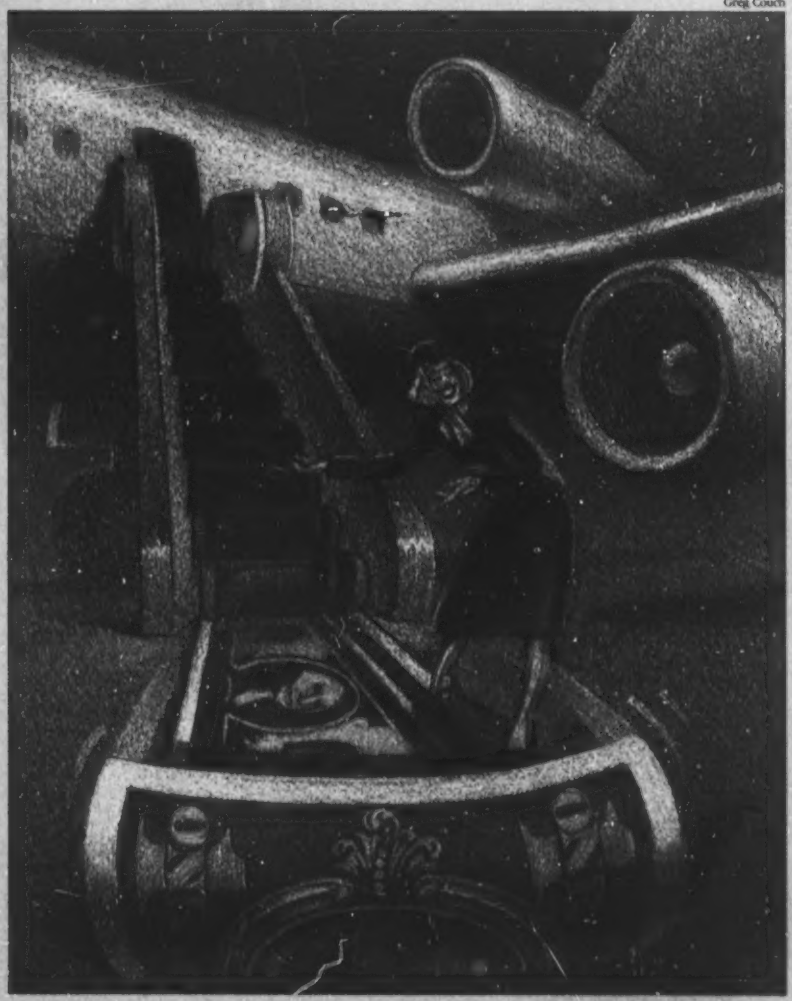
# Personal Affairs

Edited by William G. Flanagan

*You simply cannot afford to ignore frequent flyer programs any longer. They are too lucrative to pass up, and it seems they are here to stay.*

# Free as the air

Greg Couch



By Anne McGrath

MARKETING EXECUTIVE David Henkel flew home to Chicago one day last fall from a meeting in South Carolina. After a quick stop at the office, he dashed off, not on business, but for the mileage of it, to Seattle, Anchorage, back to Seattle, then home again to Chicago, with touchdowns in Portland, Boise and Denver. Seven states—all within the space of 30 hours. Henkel, for his trouble, will travel first class, for free, all this year on United Airlines.

The jackpot in United's hit-50-states-in-50-days contest is only one example of the lunacy that airlines have abetted to tempt high-mileage business travelers to fly their friendly skies. And it works. Frequent flyer programs are now as expected an amenity as baggage handling and cocktail service *(see table, opposite)*. The programs have gotten to the point that you really can't ignore them without feeling a bit of a lunatic yourself for throwing money away, even if you don't travel all that often. Especially since almost all the programs are now open-ended. You can take years to rack up the mileage required for free passes and other bonuses.

Susan Watson, national sales manager for Karl Bissinger French Confections, travels some 100,000 miles a year. Because she took the time to fill out the American and Eastern frequent flyer applications, she and her husband have flown free to Bermuda twice, to St. Martin, to Paradise Island and to Hawaii. New Jersey businessman Fred Finn, who currently boasts an American Airlines account of 315,855 miles, has spent some of his credit for a ride on the Orient Express. Patricia Adrian, vice chairman of the Beef Industry Council, took her husband on vacation in Mexico last winter, using 80,000 miles earned on Western Airlines.

How can you get the most mileage out of these mileage plans—without scrambling to fly certain airlines and possibly fouling up your schedule? Simple. Join them all. Joining doesn't cost, except at Continental and Pan Am, which charge a nominal $25. Then stick to one airline as much as you can. Free passes could start coming your way at 10,000 to 20,000 miles. Most employers—not all—won't fuss if you use them yourself. (The IRS, at the moment confused about whether and how to tax these freebies, may eventually fuss if you don't report them. But the airlines claim they can't compile the necessary data for the IRS.)

# The scoreboard in the sky

**Virtually every major carrier in the country offers bonus mileage programs to passengers. Hotels, car rental companies and even cruise lines are now in on the act. With essentially no limits on the time for accruing bonuses, even moderate travelers can earn free passes and other freebies.**

| Airline | Sign-up mileage | When miles begin to accrue | Airlines* tied in | Hotels tied in | Car rentals tied in | Minimum miles given | Bonus miles for 1st class | Minimum miles for free passes† | For further information |
|---|---|---|---|---|---|---|---|---|---|
| AA AmericanAirlines | 3,000 (+2,000, if used in 60 days) | 3 to 4 wks | British Airways, KLM Royal Dutch Airlines, Singapore Airlines | Inter-Continental (1,000 mi per night) Sheraton (500 to 750 mi per stay) | Avis (500 mi per rental) | 750 | 25% | 50,000 | (800) 433-7300 |
| CONTINENTAL AIRLINES | 5,000 | instantly‡ | British Caledonian, Air France, New York Air‡‡ | Marriott (500 mi per stay) | Thrifty (500 to 750 mi per rental) | 500 | 25% to 50% | 10,000 (New York Air only) 35,000 | Travel Bank Service Center PO Box 4365 Houston, Tex 77210 |
| DELTA AIR LINES | 5,000 | 2 days to 2 wks | Lufthansa, Air Canada | Preferred Hotels, Marriott (1,000 mi per stay) | Alamo, National (1,000 mi per rental) | 1,000 | double | 40,000 | (800) 323-2323 |
| EASTERN | 5,000 | instantly‡ | TWA, CP Air, British Caledonian, SAS, Aer Lingus | Marriott (1,000 mi per stay) | Hertz, Dollar General (1,000 mi per rental) | 1,000 | double | 40,000 | (800) EAS-TERN |
| NEW YORK AIR | 2,000 | instantly | Continental‡‡ | Resorts Intl, Grenelefe‡‡ | Avis‡‡ | 1,000 | NA | 20,000 | (800) 221-9300 |
| NORTHWEST ORIENT | 5,000 | instantly | Regional carriers only | Stouffer, Hilton, Omni/Dunfey, Preferred Hotels, Radisson/ Colony, Mandarin (500 mi per stay) | National, Thrifty (500 mi per rental) | 500 (under 200 mi) 1,000 (over 200 mi) | 25% (executive class) 50% (1st class) | 40,000 | (800) 225-2525 |
| PAN AM | 5,000 | instantly‡ | Republic, United‡‡ | Inter-Continental, Sheraton (up to 1,000 mi per night) | Hertz (1,000 or 2,000 mi per rental) | none | 25% (Clipper class) 50% (1st class) | 30,000 | (800) 348-8000 |
| PIEDMONT | 2,500 (+2,500 if used in 30 days) | instantly | British Airways | Stouffer (500 mi per stay) | Hertz (500 mi per rental) | 1,000** | 1,000 mi | 40,000 (entire system) | (800) PAB-ONUS |
| Republic Airlines | 5,000 | instantly | Pan Am | none | Hertz, National (1,000 mi per rental) | 500 (under 200 mi) 1,000 (over 200 mi) | 500 mi | 20,000 | (800) 328-7648 (800) 622-6938 (Minn) |
| TWA | 3,000 | instantly‡ | Eastern, PSA, Qantas | Hilton (US), Marriott (up to 1,000 mi per stay) | Hertz (up to 1,000 mi per rental) | none | 25% (Business Class) 50% (1st class) | 50,000 | (800) 325-4815 |
| UNITED AIRLINES | 3,000 (+2,000 if used in 60 days) | 2 to 3 wks | Air France, SAS, Air New Zealand, Lufthansa, Pan Am‡‡ | Hyatt, Westin, Meridien, Kempinski (20% of next flight's mi) | Hertz, Budget (500 mi per rental) | 750 | 25% | 50,000 | (800) 421-4655 |
| USAIR | 1,000 | 3 wks | Allegheny, Commuter | none | none | none | NA | 30,000 (entire system) | (800) 872-4738 |
| Western Airlines | 1,000 | instantly | regional carriers only | Sheraton Hotels, Village Resort condominiums‡‡ | Budget (500 mi per rental) | 500 | 50% | 30,000 | (800) THE-WEST |

*In addition to those listed, most programs offer credit for flights on regional airlines. †Lowest mileage at which at least one pass is free, excluding level where free pass comes with purchase of pass. In most cases, hotel and car rental discounts also apply. ‡Back credit is given for application processing period. **Daily, excluding some routes. ‡‡For awards. NA: Not applicable.

# Personal Affairs

If you want to dole out those bonus flights among your family—so the kids can get home from college, say—many of the airlines won't object. But note: Don't count on pocketing all the miles your spouse and kids fly just because you buy the tickets. Generally, the rules are explicit—you have to board the plane yourself.

The only way you can sneak your kid's home-for-vacation miles into your account is if he travels under your name. An exception: Continental does allow miles flown by immediate family members to count.

Should you decide to sign up fast before an impending whopper trip—say to Europe this summer—check how long it will take your airline to process that application. American requires three to four weeks, during which time your trips won't count. Many airlines, however, will now issue an ID number on the spot. Continental, Pan Am, Eastern and TWA will credit you for interim trips if you save the receipts.

The industry has grown so competitive lately that you can practically accrue miles just by getting up in the morning. You'll earn 1,000 to 5,000 for simply signing on. Nearly all the majors have struck up partnerships with hotels and car rental companies, too, so there's plenty of opportunity to gain air miles with both feet on the ground. Fly Delta or Eastern and you'll get a 1,000-mile bonus if you stay at a Marriott when you get where you're going.

What if you belong to American's program? Rent with Avis for a drive to the beach. Even if you're renting at your corporate discount, you'll add 500 miles to the grand total.

You don't always have to be a frequent flyer to get a break with the airlines. Keep an Avis car for five days and you can fly one way with American anywhere in the U.S., Mexico, Puerto Rico or the Virgin Islands for $49. Pay the "moderate" rate at any of Inter-Continental's seven U.S. hotels for any seven nights through Sept. 1, and fly round-trip for free to Europe on American or Pan Am. Take the *Queen Elizabeth 2* to Europe for as little as $1,295 and come home on the Concorde for only $549. That $1,844 total is $622 less than the normal one-way Concorde fare.

You can often accumulate mileage credits on one airline by flying another, too. United credits you with miles flown on Air France, SAS, Lufthansa and several other carriers; American, with trips on British Airways, KLM and Singapore Airlines. TWA and Eastern have agreed to credit each other's frequent flyers—with few restrictions—for all flights on either airline. That means your domestic and foreign travel can be pretty much covered. Pan Am and Republic will also honor each other's mileage; 20,000 miles per flyer are transferable. Delta allows miles flown on Lufthansa and Air Canada. Piedmont credits travelers with miles flown on British Airways to London.

Read the fine print, though, before heading off to explore Europe. Otherwise you may be surprised to discover those additional miles do not count. If Continental travelers fly British Caledonian while in Europe, only miles to London accrue to their accounts, not additional legs on the Continent. Should they fly Air France, on the other hand, they can get credit for flights to some 60 European and Mideastern cities. United will credit you on SAS as far as Copenhagen, Oslo, Göteborg or Stockholm. Leave home on Lufthansa instead and every European mile will count.

***Frequent flyer programs are now as expected an amenity as baggage handling and cocktail service. You can't ignore them without feeling a bit of a lunatic for throwing money away.***

Be careful to follow your club's news pretty closely, too. Check its newsletters for new ways to earn miles. As a United frequent traveler, for example, you can now accumulate mileage by taking Royal Viking Cruise Lines cruises. Eastern has teamed with Cunard, and Piedmont has teamed with Carnival Cruise Lines to reward loyal flyers with cut-rate and free at-sea vacations.

No sooner does one special end than the next begins. When Eastern recently inaugurated its nonstop service from Newark to San Francisco, it announced a bonus of 1,000 miles for frequent flyers who tried the flight. You can earn 1,000 extra miles for each flight you make in the U.S. and Canada through Dec. 15 if you fly Northwest Orient. American is giving double and triple mileage to travelers through October for certain continuing segments flown on British Airways and KLM in Europe.

Suppose you're just a short-distance shuttler—constantly back and forth between New York and Washington, for example. Check the minimum-mile allowances most airlines give for even the puniest hops. Both Eastern and New York Air will give you 2,000 miles for that New York-Washington round-trip. Ten round-trips with New York Air and you have your first free pass—one round-trip on New York Air's system and a weekend day's car rental with Avis.

As long as you take a regularly scheduled flight, you will get those miles no matter how inexpensive the fare. (There are restrictions on charter travel, travel industry discounted fares, unlimited-flight passes for senior citizens and foreigners visiting the U.S. and such. In nearly all cases, the miles you fly while on an award trip won't count.)

Fly first class with most lines and you will earn substantially more miles than you will fly. Not only does Delta double mileage if you fly up front, but it also makes the opportunity to do so very tempting. Frequent flyers have the option of upgrading to first class for a mere $15 to $45.

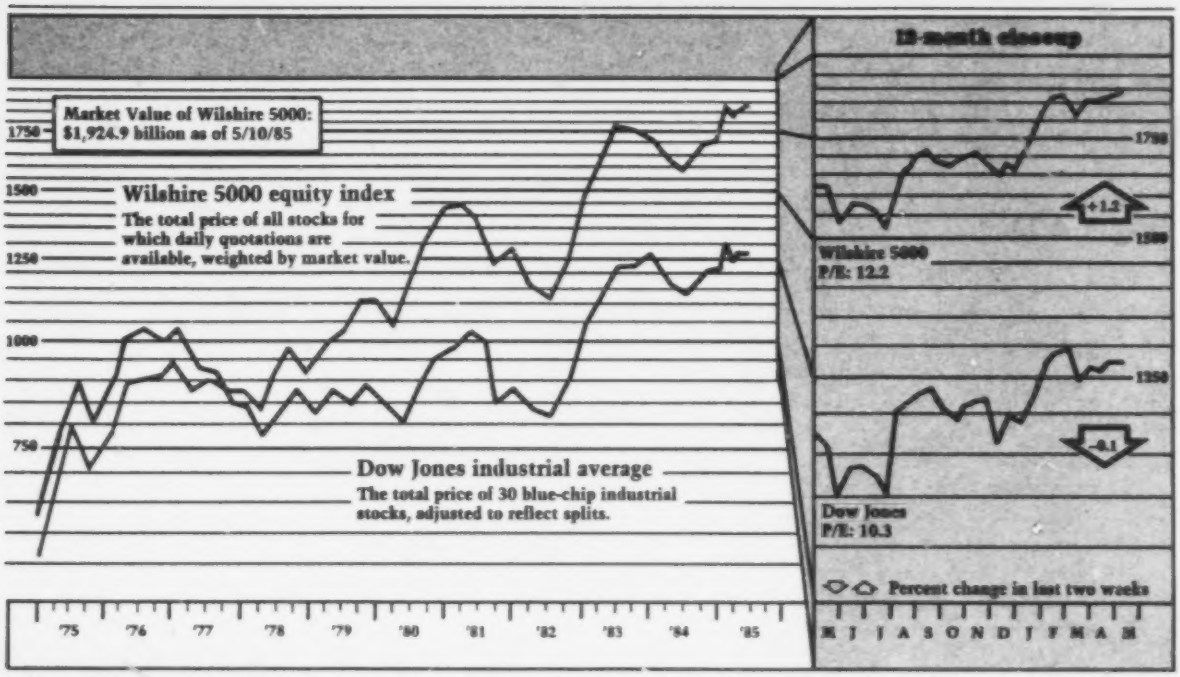
What sort of rewards will all this flying bring? Some samples: At 175,000 miles, TWA will give you two first-class passes around the world. American, at 150,000, will send you and a companion off on Singapore Airlines, give you seven days' free car rental and a hotel discount. When you accumulate 80,000 on New York Air, you will get two passes to London and a car for a week. Only 70,000 Piedmont miles earn a three-day cruise.

There are those, of course, who, like Denver political consultant Chuck McLean, would rather use that precious vacation time to "sit in the living room and stare at the walls." And count money.

Brokers like Travel Discounts International of New York, Chicago and Honolulu will buy your credit for 1.6 cents to 1.8 cents a mile—although airlines vehemently disapprove—and then sell discounted airline tickets to tourists. When Fred Finn decided he'd like ten days in Hawaii with his wife and son—expenses like hotels, limousine service and champagne in the room all included—he turned over 300,000 American Airlines miles to TDI, which converted them into such a dream vacation.

# The Forbes/Wilshire 5000 Review

Edited by Steve Kichen




**A few small losses but lots of new highs.** Because the market slumped at first, the Dow industrials ended the recent two-week period with a 0.1% loss and the Amex fell 0.7%. But four out of the last five trading sessions brought good news. During the last week the Dow rose more than 26 points and more than 400 New York- and Amex-listed shares hit 52-week highs. In addition, three indexes—the Wilshire, the NYSE and S&P's 500—ended the period at alltime highs. For the last two weeks the NYSE gained 1.1% while the Wilshire, Nasdaq and Forbes 500 all rose 1.2%. But the Nasdaq is still off nearly 13% from its June 1983 high.

While the overall market, as measured by the Wilshire index, registered a 2.1% gain for the four-week stretch, Amex issues bucked the trend and posted a 1% loss. Our investor yardsticks, below, indicate that over the last four weeks conservative issues maintained a moderate edge over speculative shares.

## Close-up On The Equity Markets

**Performance of six leading indexes**

| Percent change | Wilshire 5000 | Forbes 500[1] | Dow Jones industrials | NYSE Composite | Amex Market Value Index | NASDAQ Composite |
|---|---|---|---|---|---|---|
| in last 4 weeks | 2.1 | 2.2 | 0.7 | 1.9 | -1.0 | 2.4 |
| in last 52 weeks | 16.8 | 17.8 | 10.1 | 16.9 | 9.1 | 14.7 |

**Stock performance based on six key investor yardsticks**

| Percent change | Company size | | Volatility[2] | | P/E multiple | | Dividend yield | | Growth profile[3] | | Share price | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | large | small | high | low | over 25 | under 5 | over 7.5% | none | high | low | over $40 | under $4 |
| in last 4 weeks | 2.7 | 0.2 | 0.5 | 2.0 | 1.7 | 1.6 | 2.5 | 1.9 | 0.5 | 1.7 | 3.2 | 0.4 |
| in last 52 weeks | 20.7 | 10.2 | 12.3 | 27.9 | 5.0 | 26.4 | 26.4 | 15.9 | 10.5 | 28.5 | 27.0 | 0.5 |

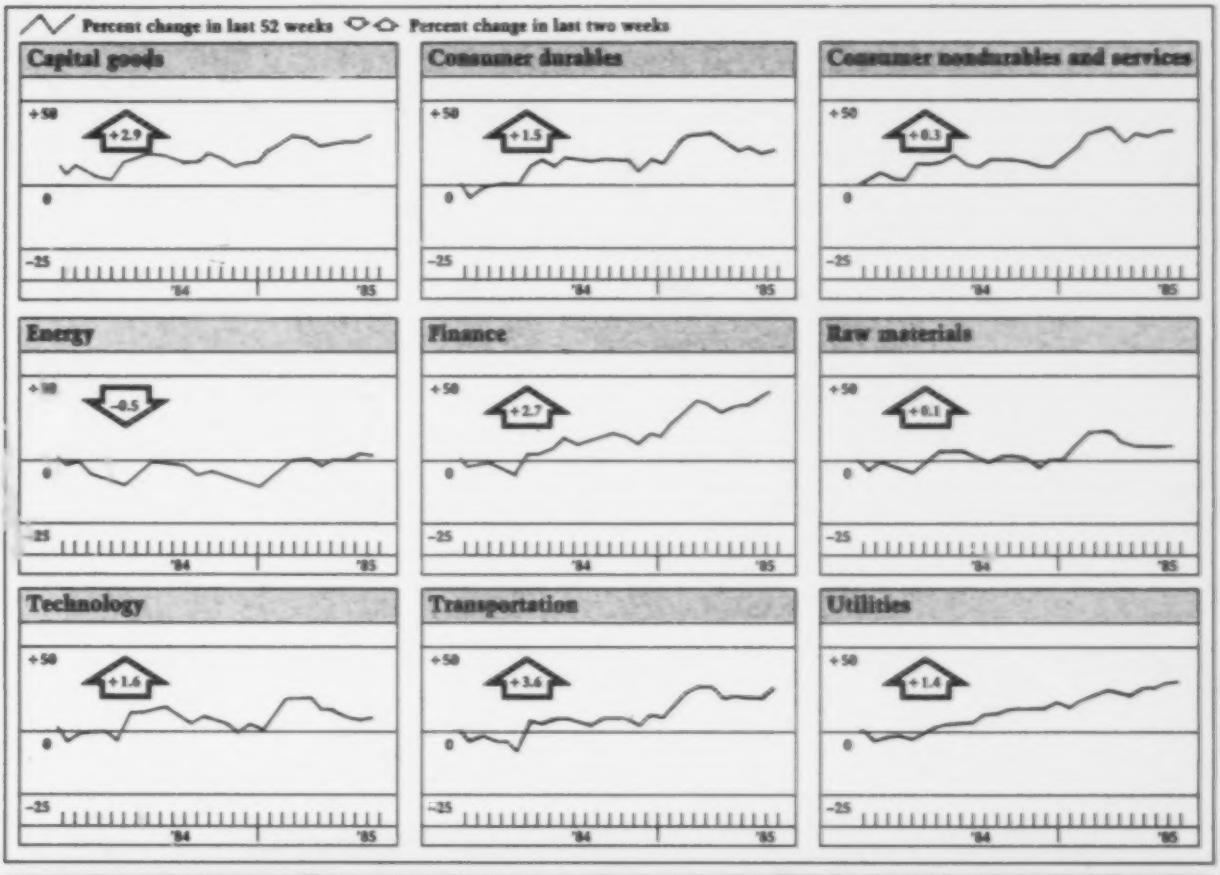
[1]Based on sales.
[2]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable.
[3]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 5/10/85. Prepared by Wilshire Associates, Santa Monica, Calif. Kenneth Alcorn

## Where The Action Is

**A possible takeover attempt helps airlines take off.** Transportation shares outperformed all others during the last two weeks, with a 3.6% gain. Trans World Airlines, Carl Icahn's latest target, was the best-performing major transportation stock. The second-best-performing group was capital goods, which posted a 2.9% increase. Meanwhile, utility shares gained 1.4%, with Houston Natural Gas (being taken over by InterNorth) up more than 50%.

Energy shares was the only group to end up in the loss column, with a 0.5% loss. Atlantic Richfield, which recently announced plans to restructure, was the best-performing big-capitalization oil, with a 17% gain for the last two weeks. But the market's initial reaction to Mobil's plan to dump Montgomery Ward was less favorable.




## What The Analysts Think

**Not quite so cheap as before.** While The Forbes Sales 500 rose 1.2% over the last two weeks, analysts made minor upward estimate revisions in only two sectors, finance and consumer nondurables. Two weeks ago The Forbes 500s sold at 10.8 times latest 12-month earnings, but now the P/E is 11 and the multiple for 1985 estimates is 9.4.

**Forecasting the Forbes 500**

| Performance period | Average earnings per share | P/E |
|---|---|---|
| latest 12 months | $3.63 | 11.0 |
| 1985 estimates | 4.24 | 9.4 |
| 1986 estimates | 4.77 | 8.4 |

| Rank based on change in estimate | Sector | Estimated 1985 EPS | Estimated 1985 P/E | % change in 1985 estimate in 2 weeks | % change in 1985 estimate in 4 weeks |
|---|---|---|---|---|---|
| 1 | Finance | $3.33 | 9.8 | 0.26% | 0.15% |
| 2 | Consumer nondurables | 2.61 | 11.8 | 0.08 | -0.03 |
| 3 | Utilities | 3.57 | 7.8 | -0.36 | -0.79 |
| 4 | Consumer durables | 4.81 | 7.8 | -0.41 | -0.10 |
| 5 | Transportation | 3.15 | 8.9 | -0.52 | -1.08 |
| 6 | Energy | 3.50 | 8.5 | -0.54 | -0.85 |
| 7 | Capital goods | 2.95 | 10.9 | -1.03 | -1.77 |
| 8 | Technology | 2.90 | 11.6 | -1.19 | -2.38 |
| 9 | Raw materials | 2.30 | 10.5 | -1.66 | -2.83 |

Earnings projections are capitalization-weighted consensus estimates from over 2,000 security analysts. Data are compiled and updated continously by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 5/10/85. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.

*The guys getting rich off takeovers and leveraged buyouts are signaling that cash flow is more important than earnings.*

# Cherchez la cash

By Leslie Pittel

BOONE PICKENS and Carl Icahn don't have a patent on making money in today's market. They use the same data sources and computer screens available to any investor, but they look for different things than your ordinary investor is trained to look for. The table below will help you think like a takeover artist.

"More than earnings multiples, acquirers are concerned with cash flow. They want to know if the company will generate enough cash to more than service the interest cost incurred in the takeover," says Stephen Leeb, editor of the *Investment Strategist*.

This explains why takeover artists and leveraged buyout financiers sometimes offer enormous multiples of earnings, or even go after companies without earnings. Storer Communications lost $17 million last year, but it is the target of a buyout offer worth about $1 billion. In the takeover artists' book, earnings is a sucker's game; cash flow is what it is all about.

## The best kind of cash is free

**these 50 companies are fairly cheap in relation to their "free cash flow"—which we define as pretax income plus depreciation, minus capital outlays. That could make them plausible buyout candidates.**

| Exch | Company/business | Price current | Price 12-month high | Price 12-month low | Free cash flow per share* | Free cash flow/ price | Debt/free cash flow | Debt/ equity | Latest 12 months EPS | Latest 12 months P/E |
|---|---|---|---|---|---|---|---|---|---|---|
| a | Action Inds/housewares | 10½ | 18¼ | 9¼ | $2.72 | 25.9% | 1.1 | 52% | $0.34 | 30.9 |
| n | Adams-Millis/textiles | 14½ | 20 | 11⅞ | 5.78 | 39.9 | 1.3 | 40 | 2.46 | 5.9 |
| n | Arkansas Best/trucking | 19 | 23⅜ | 13⅝ | 5.15 | 27.1 | 1.6 | 53 | 2.60 | 7.3 |
| n | Arvin Inds/auto parts | 19⅜ | 23¾ | 14¼ | 4.43 | 22.9 | 1.3 | 32 | 2.66 | 7.3 |
| n | Amoc Dry Goods/retail | 60⅛ | 63 | 45⅛ | 13.30 | 22.1 | 1.6 | 39 | 6.07 | 9.9 |
| n | Barnes Group/multiform | 20½ | 24½ | 18 | 4.94 | 24.1 | 1.1 | 30 | 2.33 | 8.8 |
| o | Bassett Furniture Inds/furniture | 34 | 38¾ | 30¼ | 6.75 | 19.9 | 0.0 | 0 | 3.67 | 9.3 |
| o | W Bell & Co/specialty retail | 10¾ | 10¾ | 7 | 2.11 | 19.6 | 1.0 | 23 | 0.93 | 11.6 |
| n | Brunswick/recreation | 32 | 40¾ | 23¾ | 6.89 | 21.5 | 0.8 | 24 | 4.41 | 7.3 |
| n | Celanese/chemicals | 91⅜ | 94⅜ | 62¾ | 22.03 | 24.1 | 2.2 | 66 | 10.73 | 8.5 |
| n | Chicago Pneumatic/industrial machinery | 22½ | 26¾ | 16⅝ | 6.44 | 28.6 | 1.0 | 23 | 2.83 | 8.0 |
| n | Chrysler/automotive | 34⅞ | 38½ | 20⅞ | 14.31 | 41.0 | 0.4 | 23 | 12.85 | 2.7 |
| n | Colt Inds/industrial machinery | 56 | 63½ | 39⅞ | 11.91 | 21.3 | 0.5 | 36 | 6.24 | 9.0 |
| n | Commodore Intl/computer software | 10¼ | 35¼ | 8¼ | 6.55 | 63.9 | 0.4 | 24 | 1.40 | 7.3 |
| n | Crompton & Knowles/specialty chemicals | 18⅞ | 23½ | 18⅜ | 4.67 | 24.7 | 1.4 | 31 | 2.12 | 8.9 |
| n | Dana/auto parts | 26⅛ | 30⅛ | 21⅛ | 7.28 | 27.9 | 0.8 | 26 | 3.42 | 7.6 |
| n | Diebold/office equipment | 39⅝ | 59 | 37 | 7.92 | 20.0 | 0.1 | 3 | 4.08 | 9.7 |
| n | Eagle-Picher Inds/auto parts | 22 | 28¼ | 20 | 5.14 | 23.4 | 1.3 | 27 | 2.84 | 7.7 |
| n | Eaton/electrical equipment | 52¼ | 60¼ | 37⅞ | 11.48 | 22.0 | 1.2 | 37 | 8.01 | 6.5 |
| n | Farah Mfg/apparel | 17¼ | 28¼ | 14⅜ | 3.82 | 22.1 | 2.4 | 93 | 2.39 | 7.2 |

*Pretax income plus depreciation, minus capital expenditures.

*Sources: Standard & Poor's Compustat Services; Forbes.*

In mid-March a dissident shareholder group, Coniston Partners, proposed liquidating Storer, saying it was worth much more than the $40 to $50 a share it was trading at before takeover rumors began. The dissidents backed off, but only after the company agreed to a leveraged buyout that will give shareholders $75 a share in cash plus some preferred stock and warrants.

Who would want to pay $1 billion for a moneylosing company? Nobody, but Storer was in the red only in the naive sense that it showed no reported profits. Smart investors don't worry much about reported profits, which are often an accounting fantasy. Storer's deficit is attributable to depreciation and amortization expenses—paper deductions for past capital outlays. Cash flow—earnings before depreciation is taken out—has been substantial and growing rapidly.

But, you ask, isn't depreciation a true cost? It is, but it can be misleading. It is an allowance for past capital expenditures. But financiers care more about future expenditures than past ones. The question for the buyers is: Must we continue to lay television cable in order to maintain this business? Or can we sit back and enjoy the income stream generated by past capital expenditures?

In Storer's case, the latter is true. In recent years all of Storer's cash flow and then some had to be plowed back into expansion of the cable lines. But the LBO organizers are looking a few years down the road, when Storer will no longer be faced with cable installation expenses. The higher cash flow would be more than adequate to service the new debt that would be taken on to finance a buyout.

Cash can flow in and cash can flow out. The takeover types like the kind of cash flow that only comes in and doesn't go out. This is called "free cash flow." For our table, we define "free cash flow" as pretax income plus depreciation, less capital expenditures. Since we are looking for potential acquisition candidates, pretax income is more relevant than aftertax earnings. This is because most of the payments on debt added during the takeover or leveraged buyout are interest and therefore financed out of pretax income. It's sad but true: Takeover artists are subsidized by our ridiculous tax system, which allows junk bonds to be serviced with pretax income.

Why subtract capital expenditures? Because there is no use taking over a company with large operating income if that money has to be poured back into the business. Steel mills and railroads are like that. The owner has to spend heavily merely to stay in place.

## The best kind of cash is free

| Exch | Company/business | Price current | Price 12-month high | Price 12-month low | Free cash flow per share* | Free cash flow/ price | Debt/free cash flow | Debt/ equity | Latest 12 months EPS | Latest 12 months P/E |
|---|---|---|---|---|---|---|---|---|---|---|
| n | **General Dynamics**/aerospace | 67⅜ | 84 | 44¾ | $14.37 | 21.3% | 0.0 | 2% | $8.08 | 8.3 |
| n | **Gordon Jewelry**/specialty retail | 15⅜ | 19 | 13¾ | 4.11 | 26.7 | 0.4 | 7 | 0.89 | 17.3 |
| n | **Great Lakes Intl**/marine construction | 52¼ | 52½ | 27½ | 10.47 | 20.0 | 1.0 | 34 | 3.94 | 13.3 |
| n | **Hayes-Albion**/auto parts | 10¼ | 13⅞ | 8 | 2.26 | 22.0 | 1.7 | 30 | 1.44 | 7.1 |
| n | **Huffy**/recreation | 10⅝ | 13⅞ | 9⅞ | 2.96 | 27.9 | 1.9 | 45 | 1.15 | 9.2 |
| n | **Interco**/apparel | 67⅜ | 70½ | 55 | 14.33 | 21.3 | 1.0 | 20 | 5.68 | 11.9 |
| n | **Kysor Industrial**/trucking | 17½ | 23¼ | 13 | 3.49 | 19.9 | 1.9 | 42 | 3.01 | 5.8 |
| o | **La-Z-Boy Chair**/furniture | 41¼ | 42¾ | 26½ | 8.59 | 20.8 | 0.3 | 11 | 4.63 | 8.9 |
| o | **Ladd Furniture**/furniture | 17½ | 18¼ | 12½ | 3.85 | 22.0 | 0.4 | 23 | 2.09 | 8.4 |
| o | **Lincoln Telecomm**/telecommunications | 32¼ | 32¾ | 23½ | 7.38 | 22.9 | 2.7 | 73 | 3.92 | 8.2 |
| o | **Mack Trucks**/automotive | 9¾ | 19⅜ | 9¼ | 2.40 | 24.6 | 1.2 | 14 | 1.96 | 5.0 |
| o | **Mosinee Paper**/paper & forest prods | 11¾ | 14⅝ | 11¾ | 2.65 | 22.6 | 0.9 | 22 | 1.56 | 7.5 |
| n | **Murphy Oil**/integrated oil | 30⅝ | 35⅞ | 23½ | 10.15 | 33.1 | 0.7 | 26 | 2.47 | 12.4 |
| n | **Nashua**/office equipment | 27¼ | 29⅞ | 21⅜ | 6.12 | 22.5 | 1.6 | 38 | 3.83 | 7.1 |
| a | **New Process**/mail order | 18⅝ | 20½ | 13 | 3.98 | 21.4 | 0.0 | 0 | 1.91 | 9.8 |
| n | **Occidental Petroleum**/oil & gas prod | 30 | 35⅜ | 23⅛ | 17.73 | 59.1 | 2.3 | 151 | 2.84 | 10.6 |
| o | **Oglebay Norton**/shipping & mining | 29½ | 29½ | 25 | 6.36 | 23.3 | 1.6 | 25 | 3.37 | 8.8 |
| n | **Outboard Marine**/outboard motors | 22⅞ | 31½ | 18⅜ | 5.37 | 23.5 | 1.0 | 25 | 2.16 | 10.6 |
| o | **Paccar**/automotive | 40 | 53¼ | 38½ | 11.31 | 28.3 | 0.1 | 2 | 6.89 | 5.8 |
| n | **Phillips Petroleum**/integrated oil | 39¼ | 56¼ | 33⅜ | 10.30 | 26.2 | 1.8 | 43 | 4.71 | 8.3 |
| n | **Phillips-Van Heusen**/apparel | 22⅜ | 28½ | 16¼ | 4.90 | 21.9 | 0.9 | 22 | 2.44 | 9.2 |
| n | **Planning Research**/computer software | 11½ | 15⅜ | 8⅝ | 3.42 | 29.7 | 0.7 | 24 | 0.95 | 12.1 |
| n | **Robertshaw Controls**/appliances | 29¾ | 36⅝ | 27¼ | 6.29 | 21.1 | 0.8 | 19 | 4.26 | 7.0 |
| n | **Russ Togs**/apparel | 18 | 20 | 15⅜ | 4.43 | 24.6 | 0.1 | 3 | 2.09 | 8.6 |
| o | **Stanadyne**/precision metals | 25¼ | 29¾ | 17½ | 6.12 | 24.2 | 0.5 | 17 | 3.31 | 7.6 |
| a | **Standard Products**/rubber | 20⅞ | 23⅞ | 13½ | 5.33 | 25.5 | 0.5 | 20 | 3.51 | 5.9 |
| o | **Tecumseh Products**/compressors, motors | 103 | 105½ | 78½ | 20.72 | 20.1 | 0.0 | 0 | 12.62 | 8.2 |
| n | **VF Corp**/apparel | 32⅛ | 33¼ | 21¾ | 7.66 | 23.8 | 0.7 | 35 | 3.85 | 8.4 |
| n | **Van Dorn**/containers | 20½ | 28⅛ | 19 | 4.89 | 23.9 | 1.0 | 29 | 3.53 | 5.8 |
| n | **Western Pac Inds**/precision instruments | 121 | 126½ | 91¾ | 28.86 | 23.9 | 1.1 | 38 | 12.86 | 9.4 |

*Pretax income plus depreciation, minus capital expenditures.

*Sources: Standard & Poor's Compustat Services; Forbes.*

Broadcast properties, mature pipeline systems and wired-up cable franchises, by contrast, often generate a lot of uncommitted cash flow. Takeover tycoons love them.

Ideally, of course, the analyst would use some projection of future capital outlays. Those numbers, however, are not readily available from most companies. We had to settle for last year's capital outlays in computing the free cash flows in the table.

Here is an example of the company we were looking for: Tecumseh Products, a little-known but successful maker of refrigeration compressors and small engines, with sales of $902 million last year. Income before taxes and before depreciation runs well ahead of capital expenditures, and this debt-free company doesn't have a penny of interest to pay. With heavy insider stock ownership, it probably won't be the subject of a hostile takeover, but a leveraged buyout by management is quite plausible.

We screened the Compustat database of over 5,000 firms for the companies with the highest cash flow yield ("free cash flow" divided by price). Highly leveraged companies, where debt was more than two times equity, were dropped. We eliminated financial firms, utilities and firms with sales less than $75 million.

We made two other adjustments to come up with our final list. First, we kept only those firms with long-term debt less than three times our pretax cash flow. Second, we checked the Institutional Brokers Estimate System universe of analyst estimates to make sure that all the firms are expected to earn more in 1985 than over the latest 12 months. That's evidence that Wall Street is not anticipating an earnings or cash flow collapse for these companies.

We ended up with 50 issues, 5 in apparel and 4 in auto parts. As in many lists of undervalued stocks, both industry groups have problems. Imports are hurting apparel manufacturers. Auto parts makers are susceptible to both cyclical downturns and offshore sourcing. Arvin Industries (FORBES, *Mar. 11*) may be better situated than some auto parts companies because it has diversified into electronics and consumer products. Its stock recently moved up 6% in a single day—takeover rumors, perhaps.

Be forewarned that the business of appraising breakup or takeover values is crowded these days *(see story, p. 38)*, and that companies on our list were picked by a computer, not a live takeover artist. But it doesn't hurt to be on a level playing field with the pros. ■

*Will the Cocoa Exchange's new CPI future fly? Well, when was the last time you saw an economist laughing uproariously?*

# Suckers needed

**By Harold Seneker**

IN ANOTHER CONTEXT and setting—say Las Vegas—you might call these people casino operators, croupiers and shills. But this is an "educational seminar" on the 106th floor of the World Trade Center in New York City sponsored by the Coffee, Sugar & Cocoa Exchange. The subject: a new futures contract, a contract on—get ready for this—the Consumer Price Index.

The Consumer Price Index? Yes, breathes F. Helmut Weymar, a vice chairman of the Cocoa Exchange and president of his own commodities firm in Princeton, N.J. "This could be a great breakthrough for the futures markets. If this is successful, the possibilities are incredible. For the first time, we have a contract that's not based on any physical commodity at all, not even a financial instrument."

A mind-boggling concept, all right. If the CPI future flies, you see, you ought to be able to trade anything volatile on the face of the earth, tangible or intangible, and the Cocoa Exchange is all ready to do so: housing starts, new car sales, corporate earnings figures.

So the Exchange is pulling out all stops for the CPI future. Thus the seminar at Windows on the World, to educate corporate and financial economists and the press. Some big names were there. Economist Phillip Cagan of Columbia, for example, proved in mind-numbing detail that inflation was unpredictable more than a few months ahead, had been unpredictable, probably always would be. Perfect for a futures market.

Another Leading Economist, David Meiselman of Virginia Polytechnic, was a lot less academic. "You will be able to hedge bonds with long posi-

Brian Aghar